

RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER

This form **MUST** be used to record any decision taken by the Elected Mayor or an individual Executive Member (Portfolio Holder).

The form must be completed and passed to the Service Manager (Committee & Administrative Services) no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Service Manager (Committee & Administrative Services) has confirmed the decision has not been called in.

1. Description of decision

To approve the Corporate Asset Plan from 2017 for a period of five years detailing the policies and processes for the management of the Council's property assets, including the need to secure value for money, raise significant capital receipts, generate maximum revenue and to promote regeneration and growth in the local economy of Bedford Borough.

2. Date of decision

21 November 2017

3. Reasons for decision

To ensure that efficient and effective arrangements exist for the management of the Council's property assets; that the implementation of the approved Corporate Asset Plan and supporting Action Plan is being monitored on a regular basis and that the Corporate Asset Plan continues to directly support the delivery of the Council's corporate objectives.

4. Alternatives considered and rejected

Not to have an approved corporate asset plan. Not recommended as the Council would be less able to ensure efficient use of, and investment in its property assets

5. How decision is to be funded

Existing resources

6. Conflicts of interest

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (If yes, give details and date of dispensation)	Did the Chief Executive give a dispensation for that conflict of interest? (If yes, give details and the date of the dispensation).

The Mayor has been consulted on this decision

N/A

Signed Da Hodgson Date 2/11/2017 Name of Decision Taker MAYOR DAVE HODGSON

This is a public document. A copy of it must be given to the Service Manager (Committee & Administrative Services) as soon as it is completed.

Date decision published: 3/11/17

Date decision can be implemented if not called in: 14/11/17

(Decision to be made exempt from call in.....~~YES~~ or NO.....)

BEDFORD BOROUGH COUNCIL – REPORT TO THE MAYOR

REPORT BY - THE HEAD OF PROPERTY SERVICES

SUBJECT: CORPORATE ASSET PLAN 2017-2022

1. EXECUTIVE SUMMARY

To consider the Corporate Asset Plan from April 2017 for a period of five years detailing the policies and processes for the management of the Council's property assets, including the need to secure value for money, raise significant capital receipts, generate maximum revenue and to promote regeneration and growth in the local economy of Bedford Borough.

2. RECOMMENDATIONS

The Mayor is invited to:

- (a) Consider and approve the new 2017–2022 Corporate Asset Plan, reproduced in full at Appendix A (including all appendices) for the Council, effective from 1 April 2017;
- (b) Consider and endorse, as part of the 2017–2022 Corporate Asset Plan, the supporting Action Plan, attached to the Plan as Appendix 1;
- (c) Agree to consider, in subsequent years, an annual review of progress against actions in the supporting action plan during the life of the Corporate Asset Plan.

3. REASONS FOR RECOMMENDATIONS

To ensure that efficient and effective arrangements exist for the management of the Council's property assets; that the implementation of the approved Corporate Asset Plan and supporting Action Plan is being monitored on a regular basis and that the Corporate Asset Plan continues to directly support the delivery of the Council's corporate objectives.

4. **IMPLICATIONS**

(a) **Legal**

There are no specific legal issues in the report but the Corporate Asset Plan recognises the requirement upon the Council to comply with its statutory obligations as an owner of property.

(b) **Policy**

The Corporate Asset Plan is one of the key resource management strategies of the Council and sets out the Council's policies in respect of the management of its operational and non-operational property, including an overarching property strategy. Following guidelines issued by the Department for Communities and Local Government (DCLG), Councils are expected to review, on an ongoing basis, the retention and management of their property assets and to seek continuous improvement. For this reason, the Corporate Asset Plan and supporting Action Plan are reviewed annually by the Mayor in order to monitor the progress made in respect of the management of land and property assets.

A senior officer Corporate Asset Management and Capital Programme Working Group has been established to provide a regular forum for maintaining an overview of the management of the Council's property assets and also to address operational property requirements. All asset management matters affecting the Council's property are considered by the working group which links closely to other relevant key strategic officer groups within the Council. The working group considers on a regular basis progress against the approved Corporate Asset Plan.

An Operational Property Review Plan, attached to The Corporate Asset plan as **Appendix 3**, details all major operational properties, provides costs in use and indicates future possible actions that will improve efficiency. This review plan will be updated annually and it provides the basis for ensuring that retained property has a corporate purpose and remains suitable for that purpose in terms of location, facilities available and condition. The review plan also identifies inefficient, poorly performing, under-utilised and surplus property and has influenced the proposed forward action plan.

(c) **Resource**

The Corporate Asset Plan outlines the revenue implications and funding requirements for the provision of premises to deliver services to the public and the means of ensuring that the Council continues to receive revenue income and capital receipts from the corporate estate.

More specifically:

- (i) The Corporate Asset Plan identifies how the Council's current and future land and property interests will be used to deliver its corporate priorities.
- (ii) The Plan provides the framework for assessing resource needs and proposed allocations to cover:
 - Planned improvements to Council buildings;
 - Contingency maintenance limits;
 - Energy efficiency interface;
 - Major refurbishment or improvement needs identified as necessary to meet health and safety, legal or priority service requirements as capital programme bids (in accordance with the capital investment strategy);
 - Other management of building needs (e.g. health and safety checks relating to building structures rather than health and safety issues arising from the use of a building);
 - The identification of new building requirements to meet statutory or service priority needs (in accordance with the capital investment strategy).
- (iii) The Plan provides the framework for managing the Council's commercial property portfolio, which provides much needed annual net revenue income to the Council.
- (iv) The Plan provides for a continuous review of land and property needs so as to identify surplus assets for disposal. Capital receipts from the sale of assets are a source of capital funding for the Council to meet its capital investment priorities
- (v) The Plan also identifies significant specific property based projects that will be undertaken during the life of the Plan, including:
 - The One Public Estate 'Transforming Bedfordshire Programme' and its impact on Bedford Borough.
 - The Schools Building Programme that supports The Council's three into two tier education programme.
 - The expansion of the Borough Housing Company, known as 'Benedict Bedford Ltd', and its impact on housing provision.
 - The modernisation of all Council owned and run Elderly Person Homes.
- (vi) Property is regarded as a key corporate resource and the Mayor has specific portfolio responsibility for asset management.

(d) Risk

By adopting a strategy for the effective management of its property the Council is in a position to ensure that:

- (i) The provision of property for service delivery is sufficient for the approved service level and that properties are fit for purpose;
- (ii) The Council continues to receive the required level of revenue income to support the revenue budget;
- (iii) Properties are identified for disposal to provide capital receipts to support the approved capital programme.

It is also relevant that the identified risk is addressed in a variety of ways for the Council's property assets, including:

- (i) A programme of planned maintenance inspections is undertaken annually and these identify current and future repairs. The outcome informs the annual planned maintenance programme;
- (ii) Capital programme bids are submitted for a range of works to property to cover health and safety, ongoing maintenance and service enhancement;
- (iii) Workplace inspections are carried out twice yearly on all operational property;
- (iv) Biennial assessments of legionella system risks in all of the Council's operational property are commissioned and regular monitoring of systems is undertaken by Building Mangers;
- (v) Annual inspections of identified asbestos in the Council's premises are undertaken.

(e) Environmental

There are no identifiable environmental implications arising from this report.

(f) Equalities Impact

In preparing this report, due consideration has been given to the Borough Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

A relevance test for equality has been completed. The equality test determined that the activity has no relevance to Bedford Borough Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.

5. DETAILS

5.1 The previous Corporate Asset Plan (CAP) detailed property policy for the period 2012 – 2017. It was the catalyst for delivery of property efficiencies from the earlier merger of the former County and Borough; and the enabling document for delivery of significant capital receipts and an expanded commercial estate. Highlights include:

- The closure and disposal of all Head Office buildings, except for Borough Hall and Enterprise House, resulting in ongoing revenue savings.
- The comprehensive refurbishment of Borough Hall leading to improved capacity and efficiency in use.
- Generation of substantial capital receipts to fund priority projects in the Council's capital programme.
- An increase in total rental income from the property investment portfolio.
- The development of Bedford Riverside North.
- The re-development of the bus-station area.
- The development of a new home for adults with disabilities.
- The refurbishment of 'The Higgins' museum and art gallery.
- The purchase of land to enable the construction of the new A421-A6 Northern link Road.
- Completion of works to council buildings, enabling The Council to meet its carbon reduction commitments.
- Creation of the Customer Service Centre.
- The construction of six new primary schools and one secondary school.

Corporate Asset Plan – April 2017 to March 2022

5.2 The proposed CAP details the policies and processes for the management of the Council's property assets. It has been prepared having regard to guidance provided jointly by CIPFA and the Royal Institution of Chartered Surveyors to ensure that the Council has in place arrangements to deliver value for money and the effective management of its property assets. The Corporate Asset Plan is a comprehensive document and a copy has been placed in the Member Library at Borough Hall for consideration and reference. It will also be available on the web-site.

- 5.3 The CAP details the Council's diverse property ownership. The vast majority of the assets (measured by both area and value) are operational buildings, e.g. schools, highway land, children's homes, elderly person's homes, country parks, offices and other land assets.
- 5.4 The CAP recognises that managing the estate as a key **corporate asset** is essential to the success of strategic corporate asset management practice. Sound and effective asset management contributes positively to front line service delivery. The following headline objectives are integral to the Corporate Asset Plan and seek to provide clear strategic direction for the delivery of property services to the Council:
- (a) To hold such land and property as is appropriate to ensure that the Council's statutory and key priority services can be delivered effectively in a manner that is sustainable;
 - (b) To support economic development objectives by maintaining and creating employment opportunities and offering a quality service to business through the provision of a significant commercial estate;
 - (c) To sustain and fund a planned maintenance programme of all Council property to ensure it remains fit for purpose and meets statutory requirements;
 - (d) To continuously review the optimisation of Council property and to identify opportunities for better utilisation and/or potential disposal of surplus assets;
 - (e) To continuously review current and future needs and, where necessary, to identify new property investment needs for capital investment bids (in line with the Capital Investment Strategy);
 - (f) To maximise the annual net income to the Council from its commercial property;
 - (g) To identify and plan for the Council's future property services requirements and to make best use of the resources and opportunities available to meet future needs;
 - (h) To continue to develop sound and effective corporate asset management planning;
 - (i) To identify surplus land assets available for development so that disposal proceeds (capital receipts) can provide direct funding for the Council's capital investment programme.

- (j) To ensure that all bids for property related funding are approved by The Chief Officer for Economic Growth and Property.
- (k) To consider the provision of alternative, unaffected property for the delivery of key services in the event of catastrophic failure of existing properties.

5.5 The key outcomes to be delivered during the period of the CAP can be summarised as follows:

- (a) The CAP identifies how the Council's property assets will be employed to meet the strategies and targets outlined in the Council's approved 2017-2021 Corporate Plan.
- (b) The CAP identifies how Council buildings will be adapted to meet established carbon reduction targets and where, and how, the Council will ensure funding for its statutory health and safety, Disability Discrimination Act (DDA) compliance, and maintenance regimes.
- (c) The CAP identifies how 'value for money' principles are being applied across the portfolio.
- (d) The CAP identifies where property funding sits within the Council's financial planning documents and indicates how property expenditure links into, and derives from, all such documents.
- (e) The CAP promotes core property management principles for the whole estate, and also specifies property management principles and income targets to be applied to the non-operational (investment) estate.
- (f) The CAP is a Council wide document; individual Service Directorates have ownership of sections within the plan appropriate to their areas.
- (g) The CAP and supporting Action Plan include a series of local performance monitors and benchmarking targets, where appropriate, to ensure effective monitoring.
- (h) In addition, a set of local performance measures have been developed to help evaluate asset use in relation to corporate objectives and these are reaffirmed as follows:
 - (i) Target of 0 days unplanned closure of operation of property due to property repairs;

- (ii) All operational property to remain fit for purpose utilising planned building inspections, Legionella, risk assessments and the Council's planned maintenance programme;
- (iii) Achieve 100% rental target in respect of let property;
- (iv) Ensure that public buildings remain disabled accessible;
- (v) Identify all surplus property and bring forward for disposal, at a time to maximise the generation of capital receipts;
- (vi) Ensure individual operational properties are retained for a clear purpose linked to corporate objectives.

5.6 There is a need to review, on an ongoing basis, the retention and management of Council property assets and to seek continuous improvement and value for money. A supporting action plan has, therefore, been prepared and this is attached as **Appendix 1** to The CAP, reproduced in full at **Appendix A**. The Operational Property Review Plan, as **Appendix 3** to the CAP, has been updated to appropriately reference items in the proposed Action Plan.

6. **SUMMARY OF CONSULTATIONS AND OUTCOME**

The following Council Units or Officers and/or other organisations have been consulted in preparing this report:

Management Team

The Portfolio Holder for Finance, Customer Services and Information Technology

All service managers whose services use or have an interest in property assets; legal services and finance officers.

No adverse comments have been received.

7. **WARD COUNCILLOR VIEWS**

Report Contact Officer:

*Adrian Piper,
Head of Property Services
Adrian.piper@bedford.gov.uk*

*(8)

File Reference: L2(b)

Previous Relevant Minutes: *

Background Papers: CIPFA and RICS guidance -
[http://www.cipfa.org/services/property/
strategic-assets-network/san-
document-library/corporate-asset-
management-plans](http://www.cipfa.org/services/property/strategic-assets-network/san-document-library/corporate-asset-management-plans)

Appendices: Appendix A – Corporate Asset Plan
2017-22 and appendices.

Bedford Borough Council

Corporate Asset Plan 2017 – 2022



Borough Hall

Corporate Asset Plan 2017 – 2022

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1.0 Introduction

This is Bedford Borough Council's Corporate Asset Plan (CAP) for the period 2017 - 2022. It is the successor to the CAP 2012 – 2017 dated March 2012, previously prepared and adopted by the Council.

The purpose of this document is to identify Council property objectives and asset management strategy for its directly elected Mayor, Councillors (Elected Members), Officers and the Community.

It is proposed that this CAP will cover the period April 2017 to March 2022. Annual revisions and progress on achieving CAP targets will be submitted to the Mayor each year.

The Council presently faces unprecedented funding reductions and is required to make revenue savings of approx. £27M in the period 2017 – 2021. The Council has resolved to transform its services through a 'Digital Operating Model' ('DOM') which will drive efficiencies. The Corporate Plan has been amended to enable the implementation of this model and a refreshed Medium Term Financial Strategy and Capital Programme have been prepared accordingly.

In response, this CAP focuses on how The Council will continue to improve efficiency in use of all of its operational assets, and how it will use its non-operational assets to:

- Raise significant capital receipts,
- Significantly increase commercial rental returns, and
- Support economic development within the Borough.

Furthermore, having regard to Central Government Spending Reviews, The Localism Act 2011, and guidance from Department for Communities and Local Government 2016, this CAP also details specific property lead initiatives designed to:

- Re-generate targeted areas of The Borough,
- Directly increase housing provision, and
- Collaborate with local public sector partners to achieve collective property efficiency goals.

The Action Plan attached to this document, at **Appendix 1**, details specific policies that will be undertaken during the life of this document.

This CAP concentrates primarily on properties owned, occupied, or scheduled to be purchased by The Borough and its affiliates and partners.

1.1 Corporate Plan 2017 – 2021

This CAP is derived from The Borough's Corporate Plan 2017 – 2021, to be found at:

http://www.bedford.gov.uk/council_and_democracy/idoc.ashx?docid=822171c9-144f-4034-8f33-d5ccd548ce38&version=-1

The Corporate Plan proposes the following goals:

- To Support People;
- To Enhance Places ;
- To Create Wealth; and
- To Empower Communities.

This CAP indicates how The Council's properties will be employed to meet these objectives within the framework of The Council's other relevant published Strategies.

1.2 Financial Strategies and Asset Management Planning

Central funding to Councils will be further reduced by 2020. There will be significant changes to Local Taxation retention to support this initiative. Returns from Local Authority property portfolios will be expected to make substantial contributions to revenue budgets where possible.

The Council has approved corporate policies which, in addition to the Corporate Plan and CAP, act as a cornerstone of the Financial Management of its Assets. A number of policies are being amended in response to the implementation of the DOM. The latest policies include:

- **Value for Money Strategy –**
<http://apps.bedford.gov.uk/ExecDecisions/Files/D419466037562153.pdf>
- **Medium Term Financial Strategy (MTFS) –**
http://www.bedford.gov.uk/council_and_democracy/council_budgets_and_spending/idoc.ashx?docid=1c08a07b-b0b2-4e0d-a69d-bbf8a4fb7340&version=-1
- **Capital Investment Strategy 2017 to 2022**
<http://www.councillorsupport.bedford.gov.uk/documents/g4174/Public%20reports%20pack%2001st-Feb-2017%2018.30%20Full%20Council.pdf?T=10>
http://www.bedford.gov.uk/council_and_democracy/council_budgets_and_spending/idoc.ashx?docid=5912dfc4-5de3-4ce0-850e-618327988529&version=-1
- **Procurement Strategy –**
<http://www.bedford.gov.uk/business/idoc.ashx?docid=9a135615-61db-4a44-a11a-69e41f91b4ef&version=-1>

- **Risk Management Strategy**
<http://bb-mgov01/documents/s34867/Item%2010%20Risk%20Management%20Strategy.pdf>

This Corporate Asset Plan (CAP) seeks to ensure these policies are met by adopting the approach outlined below:

- To hold such land and property as is appropriate to ensure that the Council's statutory and key priority services can be delivered effectively in a manner that is sustainable.
- To support economic development objectives by maintaining and creating employment opportunities and offering a quality service to business through the provision of a significant commercial estate.
- To sustain and fund a planned maintenance programme of all Council property to ensure it remains fit for purpose and meets statutory requirements.
- To continuously review the optimisation of Council property and to identify opportunities for better utilisation and/or potential disposal of surplus assets.
- To continuously review current and future needs and to identify new property investment opportunities for capital investment bids (in line with the Capital Investment Strategy).
- To maximise the annual net income to the Council from its commercial property.
- To identify and plan for the Council's future property services requirements and to make best use of the resources and opportunities available to meet future needs.
- To continue to develop sound and effective corporate asset management planning.
- To identify surplus land assets available for development or re-investment. In the event of sales, disposal prices (capital receipts) will provide significant direct funding for the Council's capital investment programme. In the event of re-investment and letting, rental income will be received, providing valuable annual returns.
- To ensure that all bids for property related funding are approved by the Chief Officer for Economic Development and Property..
- To consider the provision of alternative, unaffected property for the delivery of key services, in the event of catastrophic failure of existing properties.

By adopting a strategy for the effective management of its property the Council is in a position to ensure that:

- (i) The provision of property for service delivery is sufficient for the approved service level and that properties are suitable for their purpose.
- (ii) The Council continues to receive the required level of rental income to support the revenue budget.
- (iii) Properties are identified for disposal to provide an ongoing flow of capital receipts and reduce running costs to support the approved capital programme.

The Council acknowledges the extent to which the effective management of its corporate assets (whether day to day or strategic) has a direct impact on achieving its corporate goals and objectives and consequently value for money.

1.3 Existing Estate

As part of The Government's Transparency Agenda, The Borough has published details of its estate. This can be found at –

http://www.bedford.gov.uk/council_and_democracy/transparency/local_authority_land.aspx

Appendix 2 contains two plans showing the location of all Council properties within the Borough, categorised by use. The estate is broadly split into:

- **The operational estate**, being premises used principally to deliver a council service, such as head offices, residential homes, leisure premises, schools, depots etc.; and
- **The non-operational estate**, being premises used primarily to provide income or capital receipts in the future, such as factories, shops, offices, and development land.

The **Operational Estate**, excluding Community Assets (mainly parks, allotments, and historic monuments), and Highways Assets, but including grant maintained and community schools, was assessed as having an existing use value (equivalent replacement cost assessment) for accounts purposes, of approx. **£340 million** as at 01/04/2015.

The **Non-operational Estate**, including agricultural holdings, income producing commercial premises, and land for disposal, was assessed for accounts purposes as having a market value of approx. **£92 million** as at 01/04/2015.

(Anticipated re-valuations, investments, disposals and acquisitions since the above valuation date will inevitably alter these figures).

1.4 Asset Management Links to other Borough Policies

This CAP should be considered in conjunction with, and has been guided as appropriate, by the following published Borough policies:

Health and Safety Policy -

<http://spintranet/departments/environserv/regulatory/corpsafety/Documents/Health%20and%20Safety%20Strategies/Corporate%20Safety%20Policy%20May%202009.pdf>

Carbon Management Plan

http://www.bedford.gov.uk/environment_and_planning/sustainability/what_is_the_council_doing/carbon_management_programme.aspx

A new Policy is presently being prepared

Green Space Strategy –

http://www.bedford.gov.uk/leisure_and_culture/idoc.ashx?docid=3b559100-576d-4387-a8a9-abc6c9542404&version=-1

Transport Infrastructure Policy –

http://www.bedford.gov.uk/transport_and_streets/transport_policy.aspx

A new Transport Plan is due for publication in 2018

Parking Strategy –

http://www.bedford.gov.uk/transport_and_streets/idoc.ashx?docid=3f1a2261-9bfb-4e3b-8d4f-f057c3a401e4&version=-1

Sports Development Strategy –

http://www.bedford.gov.uk/leisure_and_culture/idoc.ashx?docid=96adf9d1-4d5c-45f3-93e8-19b157b0bf97&version=-1

Economic Development Strategy-

http://www.bedford.gov.uk/business/economic_plans_and_research/strategies_plans_and_research/economic_development_strategy.aspx

Bedford Growth Plan –

http://www.bedford.gov.uk/business/economic_plans_and_research/strategies_plans_and_research/bedford_growth_plan.aspx

A new strategy is presently being prepared.

Housing Strategy –

http://www.bedford.gov.uk/housing/housing_development_and_policy.aspx

1.5 Asset Management Systems

The delivery of the strategic aims of this CAP will be overseen by the Corporate Capital Strategy and Asset Management Group (CCAMG), a group chaired by the Chief Officer for Economic Development and Property or his/her nominee. . The composition of the Group includes representatives from all Directorates. The terms of reference of the Group is shown in **Appendix 9**.

The key plans impacting upon property service delivery in descending order of strategic relevance are:

- **Corporate Plan 2017-2021**
- **This CAP (incorporating an approved Action Plan)**
- **Directorate Service Plans**
- **Economic Development and Property Service Work Programme.**

1.6 Statutory / Regulatory Framework

Statutory requirements, not covered in the above Borough Policies, having a significant influence on the CAP include:

Accounting Rules

In common with all Local Authorities, the Council is required to prepare accounts at year end in accordance with the Code of Practice on Local Authority Accounting in The United Kingdom which refers to The International Financial Reporting Standards (IFRS).

The value of all fixed assets (including landed properties) is included within year end accounts in accordance with these standards.

Changes scheduled to the accounting regime for Highways Assets from 2018, will result in Highways assets being re-valued on an equivalent replacement basis rather than historic cost basis. The work will bring the reported figures of such assets in line with other published capital accounting data.

Localism Act 2011

The General Power of Competence, introduced in this act, gives all Councils the power to do anything an individual may do, unless specifically prohibited. In relation to property assets this gives Councils more opportunities to be innovative and flexible.

Councils may acquire new properties as investments, where there is also an alternative corporate justification. Should Councils wish to acquire property for Investment alone, they are permitted to do so, but may be required to set up a separate trading company.

The Act also requires Councils to establish a list of 'Community Assets'. The Borough list, commenced in 2011 is referred to in **Appendix 1**, The Action Plan. Community right to challenge also emanates from this legislation.

As part of the Transparency agenda, data on all land assets held by Public Bodies must be available for examination by local people. Required data on all Borough properties is held on the Government's electronic property Information management System (e PIMS). The data is also available on the Borough's web site at –

http://www.bedford.gov.uk/council_and_democracy/transparency/local_authority_land.aspx

Disposal Guidance of Local Authority Assets (DCLG – 2016)

Issued in March 2016 this guidance note seeks to advise and assist Local Authorities to provide land for housing both by disposing of their own surplus land and also by collaborating with other public bodies. It is directly relevant to this CAP.

The guidance note recognises that, in some cases, Local Authorities may choose to retain land and take a more direct role in housing delivery. Where provision does not include social and affordable housing, Local Authorities may deliver homes outside of their Housing Revenue Accounts. Possible delivery models include:

- Wholly –owned companies to act as vehicles for housing development.
- Joint Ventures with other public bodies
- Joint Ventures with private sector partners
- Other models eg Build to Rent

The Borough's strategy and policies for direct housing delivery are detailed in 6.2.

Key Disposal themes within the guidance note include:

- Every disposal is to have a clear objective from the outset.
- Strategic disposals are to be linked to Local Policy.
- Early and meaningful engagement with other public bodies is to be undertaken during the disposal process.
- The appropriate level of investment should be determined prior to disposal.

The Council's disposal strategy and policies are detailed at 4.0 including reference to the Council's Disposal protocol.

The guidance note also details Central Government support for Local Authorities denoted 'The Government's Offer'. This comprises:

- One Public Estate. This programme, delivered jointly by Cabinet Office and Local Government Association channels funding and practical support through Local Authorities to deliver collaborative property focused projects with Central Government and others across the public sector.

The Borough Council has identified significant projects and has been awarded the maximum grant available in round three and a further substantial grant in January 2017 to meet this challenge and re-generate specific areas within Bedford – See 6.1.

- Starter Homes – Central government is offering a market discount of 20% on new home purchases to young first time buyers. Local authorities are expected to facilitate production through the planning process.

- Flexibility in the use of assets – Local Authorities may now re-invest the proceeds of asset sales in services that will allow them to deliver more for less
- HCA Support – Where needed HCA can assist Local Authorities in the sale and development process.
- Garden Villages towns and cities – Support is provided for Local Authorities who propose garden villages for 1,500 – 10,000 and 10,000 + homes.

2.0 The Operational Estate

2.1 Strategy

The Council will support service delivery through the sustainable and efficient use of suitable premises and land.

Existing uses will be subject to regular challenge to ensure that property resources are being used corporately and efficiently.

The Council's estate and functions will be considered in conjunction with the other public sector organisations in Bedfordshire to achieve greater efficiencies for the wider public purse.

New property investments will be subject to opportunity cost analysis to ensure maximum efficiency.

2.2 Policies

- All Operational Council owned land and property is a Corporate asset and will be managed accordingly unless required otherwise by statute (e.g. for certain categories of schools).
- The Council will hold such land and property as is appropriate to ensure its statutory and key priority services can be delivered effectively and in a manner that is sustainable.
- The Council will sustain and fund a planned maintenance programme for all Council property to ensure it remains fit for purpose and meets statutory requirements.
- In order to protect Council assets and limit future liability, all work to operational properties (except schools) will be managed and delivered by the Design and Building Works Teams within Property Services. These teams will ensure that energy saving and carbon reduction opportunities are identified and fully considered.
- The Council will continuously review its properties and will identify opportunities for better utilisation and/or potential disposal of surplus assets.

- The Council will continuously review current and future needs and focus capital investment in line with priorities.
- The Council will identify surplus land assets available for Investment, development or disposal. Capital receipts from sales can provide funding for the Council's capital investment programme. Rental income can provide funding for future service provision.
- All occupations by third parties on Council land will be formally documented. Council occupation of other premises will be formally documented. Where rents at less than full market rent are received on Borough freehold premises, the Council will show that the occupation or letting contributes to its service requirement and meets its value for money criteria.
- Operational property will be held freehold, wherever possible. The principal justification for this approach is the revenue cost of retaining properties on a leasehold basis. The Council's revenue strategy is geared towards reducing the revenue impact of service delivery. Whilst freehold ownership is capital intensive, the Council retains the option of disposing of the asset when no longer required, thus releasing the funds for other service delivery.

2.3 Property Review

The Council will ensure that its operational assets are used effectively, support its corporate objectives, provide value for money, and that any wastage is eliminated.

In response to these challenges, the Council has undertaken a factual and efficiency review of its principal operational properties, excluding schools. The results, reproduced in **Appendix 3**, include individual property running costs per sq m, for the first time, and a service assessment of the suitability and sufficiency of each property.

The data will be reviewed and updated annually by the Chief Officer for Economic Regeneration and Property and will enable benchmarks to be made between similar uses. The data will identify expenditure anomalies, enabling corrective action to be undertaken.

Using the data in **Appendix 3**, Asset use will be challenged regularly by Service Directors and Property Services officers to ensure that services use property assets efficiently with regard to value for money principles.

Where appropriate, premises will be vacated, buildings shared, and surplus property sold or transferred to the Commercial Estate for rental generation.

The Council will also examine property use in the context of overall public sector land ownership and requirements within the wider geographical area of Bedfordshire. This is detailed at 5.1.

2.4 Maintaining the Estate

The Council will sustain and fund a planned maintenance programme of its operational properties to ensure they remain fit for purpose and meet statutory requirements.

The maintenance programme and level of funding will be considered in light of service reviews, with a view to completing the transfer of maintenance management to the corporate landlord, Economic Development and Property Services.

The Council will ensure that all its public facilities are compliant with Equality Act requirements.

The Council will achieve and maintain the Decent Homes Standard for its residential properties (except where they are included in a commercial letting).

The Council will ensure that its energy management goals are incorporated into its maintenance and replacement regime in accordance with the carbon management plan

2.5 Statutory Responsibilities, External influences

Increasingly, the management of property is affected by statutory responsibilities. Additional (and changing) legal requirements and responsibilities apply in respect of Local Authority owned properties.

The Council will provide sufficient funding and resources to ensure compliance with all statutory health and safety requirements.

The Council will provide sufficient funding and resources to enable effective responses to be made to foreseen and unforeseen external property challenges, such as:

- Local property taxation
- Legal challenges e.g. chancery repair claims
- One off compensation claims
- Requirements imposed by new Acts of Parliament
- Accounting changes/requirements.
- Land transfers of School sites required as part of school category changes.

2.6 Capital and Revenue Planning

All proposed capital programme schemes affecting the Council's Operational properties are considered by The Corporate Capital Strategy and Asset Management Group of Officers as part of the evaluation process.

All major funding by The Council will be allocated through the capital bids process, requiring a robust business case to be prepared by the sponsor. Property related expenditure, including new acquisitions, will be vetted by The

Chief Officer for Economic Regeneration and Property who will consider suitable alternative property options on a risk based cost analysis.

The Action Plan in **Appendix 1** details projected major property projects and includes the source of the resources required.

The management of the Council's property portfolio influences the MTFS projections in the following manner:

- The estimated change in property income and outgoings, due to the sale and acquisition of premises as well as the effect of rent reviews given current market trends.
- The effect of property non-rental income e.g. fees and charges.
- The revenue impact of the proposed Capital Programme; and
- Planned Maintenance costs annual contributions.

2.7 Property Investment

The Council recognises the value of providing adequate investment into its operational properties and ensuring that new needs are met. To provide funding for property investment needs, identified through the asset management process or responding to opportunities as they arise, the following sources of funding are available:

- Annual revenue funding is provided to finance a robust planned maintenance programme to achieve a portfolio that is fit for purpose and compliant with statutory requirements.
- Access to the capital investment programme is available for: large scale property repairs above the funding limit of the planned maintenance programme; for major refurbishment; for the construction of new facilities; and for the acquisition of new premises.

To better develop this aspect of property maintenance, the Council has agreed to the principle of establishing a Strategic Maintenance Programme.

2.8 Occupations by Third Parties

Increasingly, third parties occupy Borough owned operational premises to provide or supplement service delivery or to share occupation costs. Such occupations may arise from provisions within The Localism Act 2011 (community right to challenge), from competitive tendering, or from public sector property collaboration. In such circumstances, the occupation will be appropriately documented by way of leases or licences to ensure that all parties are fully aware of their property responsibilities. All such documents will be authorised by The Chief Officer for Economic Regeneration and Property.

Where rents are paid at less than market rent, The Council will show how its value for money principles are being complied with; ie how its property is being utilised for maximum benefit in furtherance of its objectives.

2.9 Education Establishments

The Education and Inspections Act 2006 places a duty on local authorities to act as commissioners, rather than as providers, of school places. Local authorities are under a statutory duty to:

- Ensure there are sufficient school places in their area
- Promote diversity in provision
- Expand popular and successful schools

The provision of education within The Borough is provided by a number of different bodies, eg Faith Organisations, Academies, Foundation Trusts and independent providers as well as The Council.

The Council, as Local Education Authority, will continue to maintain required educational premises that are not maintained by other organisations, and where appropriate funds have been received from The Education Funding Agency.

The Council will co-ordinate the provision of new and existing properties for educational needs, within existing legislative parameters, to ensure that educational capacity is available within The Borough.

Section 6.3 details the Council's School's Building programme. Amongst other goals, this programme will support the Council's flagship educational goal of a two tier education system.

3.0 The Existing Commercial and Agricultural Estate

3.1 Strategy

*The Council will own and manage its existing commercial and agricultural Investment estate in line with the Borough's Property Investment Strategy 2017 – 2022 (**Appendix 4**). In doing so it will adopt the principles of good estate management policy, with a view to:*

- *Maximising the financial return from the estate.*
- *Supporting the Council's Economic Development Initiatives.*
- *Contributing towards the delivery of the Council's wider priorities*

3.2 Policies

The Council will charge open market rentals for all lettings of its non-operational property. Not only is this consistent with the principles of S123 of the 1972 Local Government Act and the recommendations of the Audit Commission, but it is also consistent with our financial strategy

- The Council will regularly review financial rates of return from all properties within the commercial portfolio to ensure that it receives a satisfactory return on capital, benchmarked against property industry norms, and low risk financial returns. Where returns are poor, The Council will identify ways to improve financial performance or will consider

property disposal and use the proceeds for reinvestment in the commercial portfolio.

- A number of Council properties are let to non-commercial organisations such as charities and sports clubs etc. The contribution that each makes to the community is valued. However, there are many other similar organisations that do not occupy Council premises and the Council is of the view that all organisations should have the same opportunity to apply for financial assistance. Consequently, the Council does not consider that those organisations that occupy Council property should be given priority assistance through reduced or concessionary rents. In accordance with this policy the Council will signpost the non-commercial organisations to external bodies from which they may be able to seek funding.
- The Council manages its non-operational estate on commercial principles. This includes all lettings irrespective of the nature of the occupant. In addition to making certain that market rents are obtained, the Council seeks to ensure that the other lease terms are those that would be expected from a commercial landlord and that liability in terms of repairs and day to day management are minimised.
- The Council will continue to undertake regular tenant surveys to assess the quality of service offered and consult with tenants concerning any significant proposals that may have an impact on them.
- Although the CLAS (Commercial Landlord's Accreditation Scheme) accreditation scheme is no longer in operation, the Council will continue to apply the principles of the scheme in letting and managing the commercial estate, including compliance with the Commercial Lease Code.
- The Council will continue to adopt the Service Charge Code released by the Royal Institution of Chartered Surveyors and endorsed by other national bodies.
- To ensure a balanced range of services is offered to the public, the Council will seek to (as far as it is legally possible) limit competing trades within its neighbourhood shopping centres.
- The Council has relatively few repairing liabilities on the commercial estate. The Council will seek to let all premises on a fully repairing basis, thus easing pressure on the revenue budget. The exceptions are premises in multiple occupation where there is little choice but to retain this liability. Where possible the cost of these repairs is recovered via service charges.
- The Council will continue to invest in its commercial estate to at least maintain the real level of income received.

3.3 Details

The Property Investment Strategy (**Appendix 4**) details the following highlights from the commercial estate. Note that this excludes agricultural properties, development properties and surplus properties pending disposal;

- Capital Value as at 01/04/2016 - £44,790,000
- Gross Annual Income (2015/16) - £3,400,000
- Average vacancy rate (2015/16) – 5%
- Income – Capital Return (2015/16) - 6.9%
- Total Return (income return and capital growth) 2015/16 – 13.82% P.A

Proportioned by income, the portfolio comprises:

- Retail (town centre & local parades) - 44%
- Industrial – 24%
- Offices – 2%
- Other (inc long leases) – 30%

By capital value, the portfolio comprises

- Retail – 39%
- Industrial – 21%
- Offices – 2%
- Other - 38%

3.4 Agricultural Holdings

The Council's agricultural estate covers approximately 700 hectares (1700 acres) of farmland, and includes smallholdings, allotments, woodland, and agricultural land.

The Estate forms part of the Council's investment property portfolio and provides:

- Income for the Council through payments and rents.
- Capital receipts from sales of surplus land and buildings.
- Opportunities for individuals to farm for themselves.
- Improved public access through woodland and over farmland.

Management of the estate was outsourced to specialist rural management consultants following the retirement of the in-house specialist in 2012.

The majority of the properties have been submitted into the Planning 'Call for Sites' process, which will determine development target areas up to 2032. Any Council owned sites that are selected for growth will be worked up in line with Planning Policy Documents and will be subject to the disposal / development policies detailed within 4.0 herein.

3.5 Future Investment Estate

Future proposals for the estate are detailed within 5.0 and **Appendix 4**.

4.0 Surplus Property, Sales, Transfers, and Strategic Acquisitions

4.1 Strategy

The Council will identify surplus land and property assets and will explore whether each surplus asset should be:

- 1) Put to alternative operational use by another service department, or in partnership with other public service providers;*
- 2) Transferred to the Borough's housing company, Benedict Bedford Ltd (BBL);*
- 3) Transferred to the Borough's commercial estate;*
- 4) Sold for best consideration;*
- 5) Declared a 'Surplus Property' and managed accordingly.*

Where assets are to be sold for best consideration, The Council will take appropriate steps to maximise capital receipts or rental income.

The Council may also undertake strategic land acquisitions in furtherance of its objectives.

4.2 Policies

- The Council will continuously review its land holdings and will challenge existing uses with a view to identifying under-utilised assets and assets that could become surplus to existing requirements through active asset management.
- Under-utilised and surplus assets will be analysed to determine the most advantageous alternative use for that asset, having regard to Borough policies, in particular to The Borough's commitment to Value for Money.
- The Council will seek open market value for all disposals, unless the disposal complies with the Protocol for Disposals at less than best consideration (General Disposal Consent 2003) – reproduced at **Appendix 5**.
- The Council will ensure that Council owned assets that are also identified in the planning policy framework, are brought forward for development at the appropriate time.
- The Council will assess the timing of disposals not only with regard to the Council's internal requirements, but also with regard to the state of the property market at the relevant time.
- The Council will seek to maximise the value of surplus property by promoting appropriate properties through the planning process prior to

disposal. If necessary, this will be carried out in conjunction with land owning partners, subject to a satisfactory legal agreement.

- Where the Council has a duty to promote certain forms of development or disposal, eg Self-build, action to promote disposals may refer to such opportunities, but the overriding principle of all disposals is as stated above.
- Should suitable opportunities for strategic land acquisitions arise in pursuance of The Council's objectives, eg for housing development to be undertaken by the Borough's Housing Company, BBL, The Council will evaluate these opportunities and will proceed with such acquisitions that are deemed appropriate, having regard to a relevant business/financial case, and the availability of funding.

4.3 Capital Receipts projections

In its revised Capital Strategy Programme, approved on 1st February 2017, The Council projected capital receipts from property sales for 2016/17 to 2019/20 as follows:

- **2016/17 - £9.074 M (Approx. 16% of total projected capital spending).**
- **2017/18 - £12.086 M (Approx. 18% of total projected capital spending).**
- **2018/19 - £7.687 M (Approx. 24% of total projected capital spending).**
- **2019/20 - £6.353 M (Approx. 49 % of total projected capital spending).**

These figures assume:

- Land and Buildings are released for disposal as expected and within predicted timescales.
- Planning is granted in line with expectations and in a timely manner.
- The market for properties remains relatively constant over the three year period.
- No unexpected constraints on development are encountered.

Additional sites for disposal may come forward as a result of the policies proposed herein, which may affect the projections above.

The Council will continue to maintain a rolling 5 year capital receipts monitor updated on a quarterly basis. Projected figures will be amended as existing schemes progress and as decisions are taken to dispose of other surplus properties.

The Council has submitted significant numbers of sites into The Planning 'Call for Sites' process that will help shape the Local Plan development process up to 2035. Should any Borough owned sites receive development allocations, capital receipt projections will be amended accordingly and the sites will be worked up as development sites using in-house development expertise to maximise value.

Capital receipts are used to resource the Council's capital programme, which provides direct investment for improved service delivery.

4.4 Review of Current Land - holdings

The Council will continuously review all significant under-utilised land with a view to identifying alternative uses that will benefit the community, reduce maintenance costs, and potentially contribute to future capital receipts or revenue income. In doing so, the Council will work with adjacent public sector land owners to identify joint opportunities that would otherwise not be there if each estate were considered in isolation.

4.5 Protocol on Requests to Purchase Vacant Land (Appendix 6).

All requests to purchase open space will be directed to the Chief Officer for Economic Development and Property who will determine the matter in accordance with the protocol reproduced in **Appendix 6**.

4.6 Transfer to The Commercial Estate

All sites identified as surplus will be appraised for their suitability to be transferred to the commercial estate using the Development Opportunities flow chart set out in **Appendix 8** prior to being selected for disposal.

4.7 Transfer to The Borough Housing Company – see 6.2 herein.

The Council has formed a wholly owned company, BBL, to deliver homes within The Borough.

Any land and premises transferred to the Company will be transferred at market value. Any sites chosen will be selected using the Development Opportunities flow chart – **Appendix 8**

4.8 Transfer of Community Assets Policy (Appendix 7)

The Council will consider a transfer to community organisations who provide a service to the whole community where the use of the facility will continue to be available to all residents within the Borough. This will not preclude the casual hiring of facilities to the public, clubs etc.

The Council has established a number of criteria that set out the basis of the interest in assets that will be transferred to third parties. The policy was refreshed in 2012, following the publication of the Localism Act 2011, and the revised version is set out in **Appendix 7**.

4.9 Surplus Property

The Council retains a 'Surplus Property Budget' for management of properties that have been declared surplus but cannot immediately be disposed of or transferred to the commercial estate.

Assets in this category will be managed from this budget with a view to minimising expenditure, and disposing or investing in the asset as soon as reasonably practical.

Examples of assets in this category include:

- Vacant schools that the Council is not permitted to dispose of by DFE
- Land with negative value eg contaminated land
- Land held for future development on which planning is being sought, or will be sought in the future.

4.10 Empty Homes – Purchases and Subsequent Sales

The Council has a duty to bring empty homes within The Borough back into occupation.

Where privately owned homes are identified as having been substantially vacant for a significant period, The Council will take action to ensure that owners promote re-occupation and use within a reasonable time period.

In some circumstances, The Council will acquire the premises by direct treaty with the owner or will acquire premises through compulsory purchase. Having acquired the premises, the property will be advertised and sold with an obligation on the purchaser to bring the premises into habitable condition within 12 months.

4.11 Strategic Land Acquisitions

The Council will maintain the capacity to acquire such land and premises required to fulfil its objectives, either as Operational Property, Investment Property, or for other purposes.

In undertaking such acquisitions the Council will ensure that:

- The underlying reason for the acquisition meets a stated objective;
- The acquisition expenditure is justified with reference to a robust business case; and
- Funding is available and such funding will not adversely impact on other key Council objectives.

The Council may undertake such acquisitions by private treaty or by the use of compulsory purchase powers, if justified by reference to relevant enabling legislation.

Opportunities for such purposes may arise on an 'ad-hoc' basis, if at all. It is important that the Council has the capacity to respond to market opportunities quickly as and when they arise.

5.0 Investment and Development in Commercial Premises (Appendix 4)

5.1 Strategy

The Council will continue to proactively manage its existing commercial property portfolio.

It will re-structure its existing portfolio, increasing the proportion of higher yielding assets with manageable risk profiles, and disposing of a number of lower yielding investments.

It will seek to increase income from commercial property through strategic acquisition and development of land within its ownership.

The Council has undertaken a comprehensive review of its non-operational and commercial property requirements, termed the 'Investment Development Strategy 2017 – 2022'. The document forms a significant part of this CAP, and is reproduced at **Appendix 4**.

Guaranteed future income from The Borough's Investment portfolio will play a vital role in funding Council activities in years to come.

5.2 Policies

- **Proactive management of existing portfolio**

The proactive management of the estate will ensure that opportunities are identified and progressed. The key elements under this heading will be:

- Continue to apply the existing principles for and a proactive approach to the management of the commercial estate
- Undertake a detailed analysis of the commercial portfolio against the investment criteria below and complete SWOT analyses for each asset in order to identify investment, development and divestment opportunities. This will include assessing the current assets against the investment criteria set out below.
- Ensure that security and maximisation of income are given equal priority e.g. ensuring that the process of granting leases is simplified, that tenancies at will and business builder leases are phased out and ensuring that tenant viability is not sacrificed.

- **Delivering further additional income through strategic acquisition, disposal and development in Bedford Borough**

The combination of Bedford Borough's geographic location, the Council's land ownership and the ability of local authorities to borrow at very low interest rates presents a unique opportunity to both trigger economic regeneration and generate additional revenue. Realisation of these opportunities will require a business case to be made for resources to be allocated to commercial property investment and development. The main elements will be:

- Developing the business case for an investment fund that will enable the Council to expand the portfolio and make a contribution towards the Council's projected budget deficit and enabling economic growth/regeneration within the Borough.
- Disposal of lower yielding investments and reinvesting the proceeds in higher yielding assets with manageable risk profiles in order to produce additional income.
- Disposal or redevelopment of high risk, management intensive properties. Receipts from disposals will be recycled into the purchase of lower risk properties that yield optimal rental growth and stable income.
- Proactively seeking investment acquisitions through building links within the local property market.
- Realising development opportunities within existing portfolio and development sites such as Marston Vale Business Park and Fairhill. This will give some opportunity to meet demand identified from existing enquiries and the Growth Plan.
- Working in partnership with Benedict Bedford Limited (BBL) to realise residential investment opportunities identified within the portfolio.
- Development of smaller schemes identified through the review of the existing investment and operational estates.
- Working in partnership with other public sector organisations and the private sector to deliver the projects identified through OPE.
- Seeking Joint Venture arrangements with local businesses and other property owners to progress strategic acquisitions and development opportunities whilst reducing the Council's risk exposure.

The above initiatives will improve the balance of the portfolio and produce the highest yields possible, whilst carrying an acceptable level of risk. The activities that will be involved in delivering these strategic objectives will be reviewed annually, but the initial programme of work is outlined in the Action Plan at the end of this document. Implementation of the strategy will require clear and stringent investment Criteria

- **Delivering further additional income through strategic acquisition, disposal and development in outside of Bedford Borough**

Many local authorities are investing in commercial property outside of their administrative areas for financial return. The Council's first priority will be to invest within Bedford Borough as the opportunities exist and there are additional benefits to be realised; however, the possibility of purchasing commercial investments outside of the Borough should not be entirely ruled out. Accordingly, the Council will review the business case for additional investment outside of its administrative area, this will involve:

- Reviewing the opportunities that are likely to be available within the UK investment market.
- Reviewing the risks associated with wider investment and determining whether these can be managed and/or mitigated
- Establishing clear investment criteria that include geographical limits and investment management considerations that reflect the on-going resource constraints faced by the Council.

6.0 Significant Property Based Projects

During the life of this CAP a number of significant property based projects are scheduled to continue or commence. These include:

6.1 One Public Estate and Local Public Sector Collaboration

Clause 1.5 above refers to the 2016 DCLG circular on disposals of public sector assets. This circular details the government's 'offer' to Local Authorities and other public sector bodies. This offer includes 'One Public Estate'.

Under the 'One Public Estate Programme', central government will award grants to collaborations of public sector bodies who promote and subsequently project manage re-generation schemes within their areas. The required outcomes are:

- The release of land for housing development,
- Employment creation,
- Capital receipts,
- Efficiency savings,

In conjunction with Central Bedfordshire Council the Council has formed the 'Transforming Bedfordshire Partnership', chaired by the Mayor of Bedford. The partners include , the Bedfordshire Police & Crime Commissioner, Bedford Hospital Trust, Bedfordshire Clinical Commissioning Group (and other health bodies), Bedfordshire Fire and Rescue Service, the Local Enterprise Partnership and Network Rail

The Partnership has submitted development and re-generation proposals to central government and has been awarded the maximum grant available in stage three and a further grant in stage four to work up and project manage a number of property based projects within Bedfordshire.

During the life of this CAP, and in conjunction with its partners, The Council will use the grant monies to evaluate, and, if viable, to project manage all schemes proposed. The schemes proposed within Bedford Borough shown on the plan in **Appendix 10** are based on three themes:

- i. Town Centre Regeneration
- ii. Health and Care Integration
- iii. Blue Light Services

The projected outputs for the schemes across the whole of Bedfordshire are:

- Capital receipts - £9,250,000
- Reduced Running Costs - £ 8,080,000 over a period of 5 years
- New jobs to be created – 1483
- New residential units to be built – 2399.

The Council will bid for funds to assist with bringing forward further schemes. It will also support, as lead authority, bids from the Police, Central

Bedfordshire and the NHS. The funds available from Central Government are currently accessible through bids made bi-annually.

6.2 The Council's Housing Company.

Clause 1.5 above details the 2016 DCLG circular on the disposal of public assets. The circular recognises that Local Authorities are permitted to (and are) directly delivering homes outside of their housing revenue account.

Studies have been undertaken into the function of Bedford's mainly private sector led housing development market over the past 5 years. These studies have identified structural anomalies that have contributed to increasing levels of homelessness, and a miss-match between housing need and supply, namely;

- The delivery of sites in the urban area is delayed by low values. There has been a particular failure to bring forward 'brownfield' urban sites.
- Business models of the larger house-builders have focused on large acquisitions and 'land-banking' in the most economically advantageous areas for them ie urban fringe and rural areas, 'greenfield sites'.
- The larger house-builders have tended to build larger houses in cyclically advantageous periods and in numbers designed to sustain high purchase prices.
- There has been a contraction in numbers of house-builders able to compete for sites.
- There is a lack of institutional landlords willing to acquire private rented developments. This has lead to a lack of choice of tenure, specifically a lack of suitable private rented options.

There have been insufficient lower value homes built in urban areas to satisfy latent need, contributing (amongst other factors), to homelessness in urban areas of The Borough. However values of such homes have increased significantly recently, and the Borough has identified an opportunity to intervene to increase supply, utilising its own land and resources.

Using its 'general power of competence' under the Localism Act 2011, the Council has therefore set up its own housing company, named 'Benedict Bedford Ltd' (BBL). The Company will function on commercial lines to produce satisfactory returns. It will develop Council land in the urban area, refurbish existing under-utilised Council owned houses for beneficial use, and will forge links with other land – holding public organisations, through The Council's partnership forums. The Company could be a significant participant in the 'One Public Estate Programme' for Bedford.

Specific areas for BBL to focus on are:

- To own private rented sector stock enabling The Council to participate in rising values in the sector.
- To carry out housing developments in its own right or through joint ventures.
- To support mixed-use developments by enabling the residential component.

- To enable the Council to promote the development of its own land where land assembly and other problems have hampered development.

BBL will not hold Social Rented or Affordable Housing units. Should such units be built as a result of any planning requirement, they will be transferred to a Registered Provider at the earliest opportunity.

Within the primary objective of achieving commercial return, the BBL will deliver a number of secondary benefits that will contribute towards achieving the Council's wider objectives. These will vary across projects, but will include:

- Providing intermediate tenure products that will assist in attracting key workers required for the local economy;
- Address other strategic housing issues such as housing such as homelessness;
- Interventions to address perceived market failure; and
- Make a positive contribution to wider place-shaping and regeneration.

BBL will have the benefit of access to Council owned sites, although these must be transferred at market value. The Council continues to review sites within its ownership and this will yield development opportunities for the Company. A priority for this CAP will be to identify a 'pipeline' of sites that provide viable development opportunities for the Company.

6.3 The Council's School Buildings Programme.

It is The Council's policy to move from a three tier education system (lower, middle and upper schools) to a two tier system (primary and secondary schools), where supported by local school clusters; and to replace all temporary classrooms on community and grant maintained schools with permanent buildings. This will require significant building works on existing school sites.

The Council will also work with central government, developers, and education partners to facilitate the provision of required new schools within growth areas of The Borough.

The Council has budgeted funds of over £48,000,000, allocated from various sources for this building programme, including: its own capital programme; monies from Section 106 funds; basic needs funds; specific bidding funding; and devolved formula capital grants.

Over the life of this CAP, The Council is committed to:

- Enabling the construction of at least three new primary schools and one new secondary school.
- Replacing all temporary classrooms on all community and grant maintained schools.
- Expanding 29 lower / existing primaries to form new primaries.
- Expanding /adapting 4 upper schools to form secondary schools.
- Converting 7 existing middle schools to primary schools.

All current temporary classrooms will be removed from school sites by September 2020.

As at July 2017:

- 19 lower schools have had works completed to enable them to convert to primary status.
- 1 upper school has had works completed to enable them to convert to secondary status.
- 3 middle schools have had works completed to enable them to convert to primary status.
- Contractors are on site at 11 schools.
- All remaining works in the programme will be completed prior to September 2018

6.4 The Carbon Management (Reduction) Plan.

The Council has set an aspirational target to reduce the carbon emissions from its estate by 40% within the Council's Carbon Management (Reduction) Plan. Following implementation of a programme of retrofit carbon efficient measures, the Council has secured financial savings identified in the Medium Term Financial Strategy and reduced carbon emissions by 36% since 2009/10.

The Council remains committed to becoming a more environmentally efficient and resilient organisation, whilst aiming to enhance financial efficiency of its buildings. The Council is currently reviewing options to continue with a second tranche of energy conservation measures to drive further savings and is currently updating the Carbon Management Reduction Plan to reflect these proposals.

6.5 Modernisation and Refurbishment of Elderly Persons Homes

The Council owns and runs 5 Care Homes, which provide care for 169 elderly people. The homes have been managed by the Council since 2014 when the contract with the last care provider terminated.

All of the homes were built in the 1960s and 1970s. Whilst compliant with latest regulatory requirements, residents feel the homes would benefit from upgrading, and re-decorating.

The Council is undertaking a comprehensive refurbishment programme of all five homes that is due to be completed in 2019, for which it has budgeted £3,500,000 from its capital programme.

The budgeted works will ensure that all homes will be refurbished to a good standard, specifically;

- The homes will be re-decorated throughout;
- All sanitary-ware will be replaced;
- Washroom facilities will be over-hauled to provide wet rooms in place of existing bathrooms;
- Existing lifts will be refurbished;

- An additional lift will be installed into each home;
- New furniture will be provided;
- Heating will be converted to gas from oil and all oil boilers replaced by gas boilers;
- All roofs and windows will be repaired or replaced.

6.6 Marston Vale (Bedford) Business Park

Marston Vale (Bedford) Business Park is situated to the east of Wootton and adjoins the A421. The Council owned 28.46 ha (70.34 acres) site has received a Planning Allocation for employment use.

Following an extensive marketing exercise, The Council has selected a national developer to deliver a major commercial scheme. The developer has applied for planning permission to build approximately 80,147 sq m (862,695 sq ft) of commercial space, including warehouses, modern offices, and incubator workshop industrial units. In addition to generating a large capital receipt for the Council, the development will promote economic growth within The Borough. The Council has retained the option to re-acquire completed and pre-let units on the site for its commercial estate.

The Council has also received funding from the Local Enterprise Partnership for the construction of 12 innovation workshops and associated infra-structure on approx. 0.8 ha (approx. 2 acres) of the site. These workshops will be constructed by the developer and will subsequently be owned and managed by The Council as part of its growth strategy.

7.0 Performance, Resources and Action Plan

- The Action Plan at **Appendix 1** details all property initiatives scheduled over the life of this CAP. It identifies the Leading Officer, timescales for delivery, and the resources required for each Action. The Action Plan is updated annually and a monitoring report prepared by the Mayor. The Corporate Asset Management and Capital Programme working Group (CAMCPWG) review progress of The Action Plan quarterly.
- The Property Review Plan at **Appendix 3** monitors the efficiency in use and operating costs for each operational property. This Plan will be reviewed annually by the Head of Property Services and approved at The CAMCPWG. Reviews will reflect changing plans and strategies.
- A performance report benchmarked with industry norms is prepared annually on returns from the commercial estate. Underperforming assets are identified, and improvement action is identified. (See **Appendix 4**)
- Budgeted capital receipts from disposals of surplus assets, updated at least annually, are compared to actual receipts (See 4.3 herein). A monitoring report is prepared to explain variances.

- Annual returns emanating from the property review process (**Appendix 3**) will set targets for delivering transformational change of operational assets. These targets will be incorporated into the updated Action Plan.
- Performance will be monitored through annual updates. Improvements in service delivery as well as financial efficiencies are used as targets for individual projects.

APPENDIX 1

Green	Completed (C)
Orange	Progressing (P)
Red	Action To Commence (AC)
White	Continuing Requirement (CR)

DRAFT ASSET MANAGEMENT ACTION PLAN: 2017 – 2022

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
1. Corporate Property Management (including Health and Safety)					
1.1	Undertake annual asset re-valuation exercises, including advice on accounting property standards (Legislative Requirement).	Annual requirement	Existing resources	Chief Officer for Economic Development and Property and Chief Officer for Planning and Highways	Ongoing
1.2	Update annual verification of Display Energy Certificates (DEC's) in line with changing legislative requirements.	Annual requirement	The cost of the DEC's will be recharged internally to the department as in previous periods	Chief Officer for Regulatory Services and Culture	Ongoing
1.3	Undertake three yearly rolling programme of condition surveys on operational properties for future maintenance planning.	Annual requirement	Existing resources	Chief Officer for Economic Development and Property	Ongoing
1.4	Disability Discrimination Act (DDA) – Ensure the Council's premises remain compliant with all current DDA requirements.	Annual report	Funded within main projects	Disability, Equality and Access Officer	Ongoing

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
1.5	Undertake all legislative and preventative maintenance requirements to operational buildings.	Continuing requirement	ED&Property and Building Managers – Existing Resources	Chief Officer for Economic Development and Property	Ongoing
1.6	Complete the centralisation to ED&Property of all maintenance to council properties.	March 2018	Existing resources	Chief Officer for Economic Development and Property	In progress

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
2. Property Review/Performance					
2.1	Continue regular joint Property/Service Area meetings to monitor changing service property requirements.	Continuing requirement	Existing resources	Chief Officer for Economic Development and Property and Chief Officers as appropriate	Meetings held annually or when related to specific issues
2.2	Establish joint Property/Service Area working parties for specific high value projects.	Continuing requirement	Existing resources	Chief Officer for Economic Development and Property and Chief Officers as appropriate	Working parties established for: <ul style="list-style-type: none"> • Review of Depot provision. • Elderly Person Homes
2.3	Consider alternative property revenue/capital streams from non-standard property assets (e.g. airspace, advertising hoardings, landscaping areas).	March 2022	Communications and Property – Existing Resources	Chief Officer for Economic Development and Property	First tranche of advertising hoardings lettings completed. Second phase on hold pending approval from Highways. First tranche of small surplus sites with potential for residential being marketed.
2.4	Review all property related Capital Programme submissions prior to consideration by Capital Programme and Asset Management Working Group.	Continuing requirement	Existing resources	Chief Officer for Economic Development and Property	Annual review in line with budget setting timetable.
2.5	Procurement of Service Contracts involving Property elements	March 2018	Existing resources	Chief Officer for Economic Development and Property and Chief Officer for Strategic Commissioning and Procurement	Property Protocol to be established when procuring new contracts. This will detail the examination of property assets included in any proposed contract. Issues addressed will include suitability, risks and annual costs. Internal Audit Team assisting.

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
2.6	Continue joint working group with Bedford Pilgrim's Housing Association (BPHA) to explore joint development options and closer collaboration on property and housing matters	Ongoing	Existing resources	Chief Officer for Economic Development and Property	Meetings regularly held.
2.7	Lead Authority for 'One Public Estate' (OPE) 'Transforming Bedfordshire Partnership'.	June 2020.	Government grant	Chief Officer for Economic Development and Property	Programme Manager has been appointed and the OPE Partnership board has been established. Project delivery has commenced. The town centre cluster of projects is being progressed by completing a town centre south master plan.
2.8	Expand the range of 'One Public Estate' Bedfordshire and submit bids for additional funding.	June 2020	Government grant	Chief Officer for Economic Development and Property	A successful bid for OPE Phase 5 funding has been completed and a Phase 6 bid is being developed. Heritage Lottery funding is also being progressed

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
2.8	Review policies and procedures in light of the Localism Act.	Final review – April 2018	Existing resources	Chief Officer for Economic Development and Property	<p>Revised Community Asset Transfer policy approved.</p> <p>Community Right to Bid policy approved. This sets out the circumstances and conditions by which the Council will consider the listing of community assets and consider proposals from community organisations for these assets. Full details including successful and unsuccessful bids can be found at http://www.bedford.gov.uk/business/land_and_premises/community_right_to_bid.aspx</p> <p>Nominations for the listing of community assets are being received and a number have been determined.</p> <p>Both policies subject to further review to ensure that they dovetail and that information given to the public gives clarity on the scope of each policy.</p>
2.9	Maintain the efficient working practice of greater than 70:30 planned: responsive work spend.	Continuing requirement	Existing resources	Chief Officer for Economic Development and Property	Annual review of Repair and Renewal programme carried out

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
3. Property Rental/Acquisitions/Disposals					
3.1	Increase net income to the Council from investment property	March 2022	Subject to capital programme bid Existing Property resources for management.	Chief Officer for Economic Development and Property	Completed purchase of 1-7 Wolseley Business Park.
3.2	Identify suitable properties / sites for acquisition / investment to enhance Investment Estate	March 2022	Subject to capital programme bid	Chief Officer for Economic Development and Property	Evaluating opportunities at Marston Vale (Bedford) Business Park and Fairhill.
3.3	Operational Property Acquisitions	Continuing requirement	Subject to capital programme bid/ External Grant	Chief Officer for Economic Development and Property	Progress in accordance with business cases
3.4	Property Assets – Preparation of programme of property disposals.	Annual requirement	Existing resources	Chief Officer for Economic Development and Property	Under review
3.5	Achieve Capital Receipt targets from property disposals	Continuing requirement	Potential capital receipts	Chief Officer for Economic Development and Property	Programme under review
3.6	Review all unplanned disposals prior to reporting to Portfolio Holder.	Continuing requirement	Potential capital receipts	Chief Officer for Economic Development and Property	Under review
3.7	Review all areas of Council owned open / vacant land to identify income and capital generating opportunities	March 2020	Potential capital receipts	Chief Officer for Economic Development and Property	First tranche of sites identified. Likely capital receipts to feed into property disposal programme
3.8	Development of land at Bedford River Valley Park as enabling development for water-sports lake.	September 2020	Existing resources.	Chief Officer for Economic Development and Property	Future of the site under review. Decision expected by Dec 2017

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
3.9	Review Options (inc potential disposal) for former Abbey Middle School.	September 2017	Existing resources.	Chief Officer for Economic Development and Property	Liaising with Education Funding Agency. Site submitted, in conjunction with land to North, into Local Plan 'Call for Sites' process. Portion of site earmarked for potential new school.
3.10	Progress the redevelopment of Riverside (North).	December 2017	Rental income of approx. £185,000 P.A will be received when all new units are built and let.	Chief Officer for Economic Development and Property	Development significantly under construction. Phased opening summer 2017.
3.11	Marston Vale (Bedford) Business Park – Progress Development scheme with Partner.	December 2017	Partnership with Developer plus Local Enterprise Partnership Funding	Chief Officer for Economic Development and Property	Development partner secured. Planning application being determined August 2017. Completion conditional on planning permission.
3.12	Establish a protocol and resource funding for one-off strategic property acquisitions, enabling an immediate response as and when opportunities arise.	December 2017	Subject to capital programme bid	Chief Officer for Economic Development and Property	To be progressed

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
4. Corporate Accommodation					
4.1	Implement efficient office use strategies (eg mobile working and electronic file storage) to free space within Borough Hall and enable creation of 'drop-in' centres within other operational buildings.	Continuing requirement	Efficiency savings.	ACE Business Transformation	Consultancy advice procured.
4.2	Continue to develop Agile Office accommodation	Continuing requirement	Part of 'Bedford Borough 2020'	ACE Business Transformation	To be programmed in parallel with transformation projects.
4.3	Let under-utilised space within Borough Hall to other public sector office users using the 'fair charging policy' developed by the Pan-Bedfordshire Property forum and now part of 'OPE'	Continuing requirement	Receipt of rental / service charge income	Chief Officer for Economic Development and Property	Bedfordshire Crime Commissioners have leased ground floor and are now considering part of the first floor.
4.4	Refurbish office areas at Raleigh Centre and introduce broadband connection to enable premises to be used as 'OPE' public sector training suite	March 2018	'Invest to Save' initiative and contributions from public sector partners. Reduction in operating costs.	Chief Officer for Economic Development and Property	Terms with NHS agreed for joint use.

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
5. Chief Executive's Directorate					
5.1	Review operation of community centres.	March 2019	Existing resources	Chief Officer for Democratic and Registration Services	To be progressed
5.2	Redevelopment of Church Lane Neighbourhood Centre (Phase 2).	September 2017	Existing resources	Chief Officer for Economic Development and Property	The developer has now constructed the Medical Centre on the site. An additional supermarket has been constructed and let and is now trading. The Community Centre is being refurbished using proceeds from the development .and will open summer 2017.
5.3	Work up development scheme to deliver new workshops unit on Marston Vale (Bedford) Business Park	December 2017	£2.5M secured from SEMLEP.	Chief Officer for Economic Development and Property	Progress in tandem with overall site development scheme.
5.4	Consider option to refurbish 26 Cauldwell Street to provide a serviced office scheme	March 2018	Existing resources	Chief Officer for Economic Development and Property	Options being appraised
5.5	Develop modern record storage policy.	March 2018	Existing resources	Chief Officer for Democratic and Registration Services	In progress

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
5.6	ICT back-up facility to replace Barkers Lane Depot.	March 2018	Existing resources	Chief Officer for Technology	Under review
6. Children’s Directorate and Adults Directorate					
6.1	Re-furbish all 5 Elderly Person Homes.	Nov 2018	Capital programme	Chief Officer for Economic Development and Property	Projects in progress.
6.2	Review care provision, including the homes transferred from The NHS in April 2013 and the future of Rivermead Day Centre.	June 2019	Existing resources	Chief Officer for Adults Operational Services and Chief Officer for Economic Development and Property	To be progressed.
6.3	Children Centres and Pre-School Nurseries – Complete leases with all third party organisations providing childcare on Borough premises.	March 2018	Property & Legal Services – Existing Resources	Chief Officer for Economic Development and Property	Children’s Centres – New tenancies are required following a re-tendering of the service contract effective from September 2016. Pre-school nurseries – Relevant legal agreements are being progressed.

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
6.4	Implement approved actions within the School Capital Investment Plan approved by the Executive 12 February 2014 and identifying investment totalling £48.394 million.	March 2020	Various, including: <ul style="list-style-type: none">• Capital maintenance Funds• Basic Needs Funds• Section 106 Monies• Funds allocated by Schools Forum• Council Capital and revenue funding• Specific bidding funding• Devolved formula capital grant.	Chief Officer for Education SEND and School Improvement	Specific work streams include: Temporary Classroom Replacement Programme : <ul style="list-style-type: none">• Phase 1 to be completed– 13 school sites, 32 classrooms.• Phase 2 integrated into three to two tier project. New Schools:• Completed – Kempston Rural Lower, Wootton Lower (Fields Road South), New Schools including : <ul style="list-style-type: none">• North of Bromham Road;• New primary and secondary within the Wixams development (due for completion Sept 2017). Completed Extensions: <ul style="list-style-type: none">• Scott Lower; Shackleton Primary; Castle Lower; Lakeview Lower; Great Denham Primary; Goldington Green Academy Three to Two tier Lower to Primary Conversion completed : <ul style="list-style-type: none">• Putnoe Primary; Cauldwell Primary; Elstow primary; Shortstown Primary; Shackleton Primary; Cotton End Primary; Kings Oak Primary

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
6.5	Transfer property in accordance with statutory guidance to appropriate bodies if and when school governors elect to establish trust or academies. Transfer additional areas to faith organisations if buildings are undertaken in the grounds of faith schools .	Continuing requirement	Property & Legal Services – Existing Resources	Chief Officer for Economic Development and Property	All academy transfers have a prescribed time frame and all have been completed in accordance with the legal requirements. Any schools adopting academy status will prompt fresh property transfers.
6.6	Examine the feasibility of re-developing 80 Bunyan Road, Kempston, and re-providing the existing service either on the existing site or elsewhere.	March 2018	Existing resources	Assistant Director (Chief Social Worker) Chief Officer for Economic Development and Property)	To be progressed
6.7	Review of needs and suitability of 'Foxgloves' 91 Bromham Road Bedford.	March 2018	Existing resources	Assistant Director (Chief Social Worker) Chief Officer for Economic Development and Property	To be progressed

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
7. Environment Directorate					
7.1	Review need for Borough depot facilities (including a new salt store and a permanent bus park),	June 2018	Existing resources	Chief Officer for Planning and Highways	<p>Review underway.</p> <p>The Highways contract is now substantially managed in house from Brunel Road Depot and from part of London Road Depot.</p> <p>Facilities at Barker's Lane depot are also in use, including a bus park.</p> <p>A lease at market rent has been granted on part of London Road Depot to Ringway Jacobs for fulfilment of the Highways contract for Central Bedfordshire.</p>

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
7.2	Look to increase additional public sports pitches and facilities.	To accord with Green Space and Sports Pitch Strategies.	S106 dedications, Contributions from CIL or existing Borough sites	Chief Officer for Environment	<ul style="list-style-type: none">• Moor Lane skate park being funded through S106 payments.• Big Local and fitness equipment now in Bedford Park, Jubilee Park and Mowsbury Park• S106 sports and recreation programme agreed and being delivered.• Ettrick Drive completed - MUGA and fitness equipment.

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
7.3	Adoption of additional country parks as part of major new housing developments.	December 2017	S106 dedications, contributions from CIL or Land Charges.	Chief Officer for Environment	<p>Woodlands Park (North of Brickhill) to be transferred to the Council, including agreed commuted sums for initial 20 years management, at the end of 2016.</p> <p>Land at Great Denham and West Kempston will transfer under a legal agreement between the developer and the Council This should be ready for transfer late 2016 first phase of transfers.</p> <p>Wixams open space sites transferring to the Council, ongoing work.</p>
7.4	Seal and cap Elstow landfill site.	December 2021	Capital Programme	Chief Officer for Environment	<p>Works are on-going, with the Environment Agency to initiate restoration and landscaping works as part of a phased plan to ensure the adequacy of capping, site stability and gas and leachate management of the former landfill site. New Leachate Wells have been installed to site during 2015/16.</p>

Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
7.5	Review of waste disposal options and increased provision for recycling.	March 2021	Existing resources	Chief Officer for Environment	<p>The Council's disposal/treatment contracts have a break over the next couple of years.</p> <p>Work has started on reviewing all opportunities e.g. bench-marking, and options from driving efficiencies/ savings from current contracts through exercising extension(s) in the current contract(s)s.</p> <p>Work is ongoing with the Councils procurement hub.</p>
7.6	Agree compensation for land and rights taken to facilitate new A421-A6 Northern link road	May 2017	Capital Programme	Chief Officer for Planning and Highways	In progress
7.7	Agree disturbance (noise) compensation for A421-A6 Northern link road	March 2022 but, dependent on claims	Under review	Chief Officer for Planning and Highways	In progress
7.8	Consider town centre parking provision in light of both existing need and proposed developments.	May 2018	Existing resources	Chief Officer for Planning and Highways	Update required as part of OPE

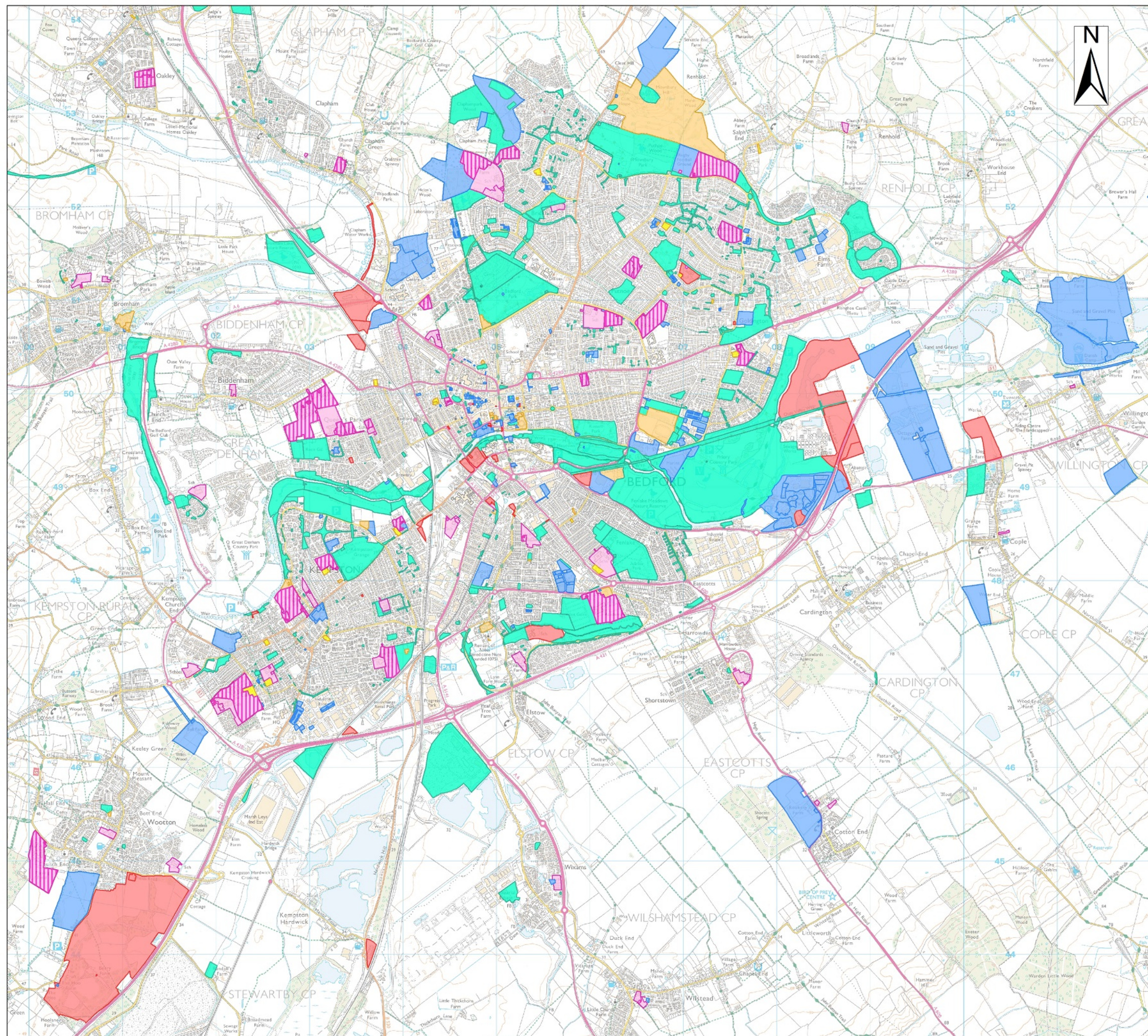
Action Point		Proposed End Date	Resource Implications	Lead Officer	Progress
7.9	Carbon Management Plan – Ensure buildings improve energy efficiency to contribute to the Council's reduction in CO2 emissions.	March 2018	Existing resources and external advisers (partly self-financed and partly financed through the capital programme)	Chief Officer for Environment	<p>Tranche 1 is complete. Officers are evaluating alternative options for the delivery of Tranche 2, since parting with the Re-Fit framework contractor. Approval now given for some projects.</p> <p>The overall programme has a value of £3.2 million and in the region of 2,000 tonnes of CO2 saving, if all measures are successfully implemented.</p> <p>To date a 36% carbon saving (CO2) has been made on the Council's non-schools sites.</p>
7.10	Consider need for capital investment in cemeteries and crematoria facilities.	March 2018	Bid made for funds from Capital Programme.	Chief Officer for Regulatory Services and Culture	<p>Capital business case approved by EDESC for the R&R replacement of the two cremators at Norse Rd Crematorium by early 2017/18.</p> <p>Report with Finance to be added to the Capital Programme.</p> <p>There is a requirement to tender for the scheme under a framework agreement.</p>

Action Point	Proposed End Date	Resource Implications	Lead Officer	Progress
7.11	Highway Investment – Implement work programme and ensure on-going compliance with Central Government's 'Highways Maintenance Efficiency Programme' (HMEP).	Continuing requirement	Existing resources	<p>Chief Officer for Planning and Highways</p> <p>The capital and revenue programme for scheme implementation has been agreed and is being delivered.</p> <p>A proportion of highway maintenance grant is now subject to competitive bid and allocated on the basis of compliance with best practice – so asset management systems will need to develop accordingly.</p>
7.12	Invest to save – Street lighting and water management.	March 2018	Existing resources and external advisers	<p>Chief Officer for Planning and Highways</p> <p>The Council was the first local authority to sign the Anglian Water Promise.</p> <p>LED street lighting replacement underway and on target.</p>
7.13	Implement development work to support the Borough's Housing Company.	Ongoing	Existing resources and external advisers	<p>Director of Environment</p> <p>New company, 'Benedict Bedford' set up.</p> <p>Financial feasibility tested through pilot scheme analysis.</p> <p>List of potential properties / sites under review.</p> <p>Significant follow-up work streams expected.</p>
7.14	River Assets – carry out a review of assets either on the banks of or within the River Great Ouse.	March 2018	Existing resources	<p>Chief Officer for Environment</p> <p>Ongoing discussions with Environment Agency regarding responsibility for Bromham Mill sluices</p>

Action Point	Proposed End Date	Resource Implications	Lead Officer	Progress
7.15	Review use and operating costs of the Corn Exchange complex	June 2017	Existing resources and external advisers	<p>Chief Officer for Regulatory Services and Culture</p> <p>V4 Consultancy have produced a report reviewing the operating costs and options for the venue.</p> <p>Focus currently on reducing ongoing financial pressures associated with Corn Exchange operations.</p> <p>Commissioning activity currently limited to seeking external tenant for No.13 daytime operations.</p>
7.16	Implement the review outcomes for all 5 library sites	May 2017	Existing resources	<p>Chief Officer for Regulatory Services and Culture</p> <p>Public consultation completed.</p> <p>Library Plus model currently being implemented for trial at Bedford Central, Bromham and Wootton libraries.</p>
7.17	Review use, annual maintenance costs and tenure of historic sites and ancient monuments.	September 2017	Existing resources	<p>Chief Officer for Regulatory Services and Culture</p> <p>Considering passing property responsibilities onto 'Friends Groups' at a number of sites.</p> <p>Events & Heritage function to be separated from Corn Exchange operations.</p> <p>Ongoing discussions regarding Bromham Mill.</p>

Action Point	Proposed End Date	Resource Implications	Lead Officer	Progress
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8. Supplementary Actions (Additional Actions since 1 April 2017)










Appendix 2a - Urban Property Portfolio

Property Services
Bedford Borough Council



Legend

-  Properties used by Adults and Children Services
-  Properties used by Environment & Regulatory Services
-  Foundation and Community Schools
-  Transferred Schools
-  Investment Estate
-  Properties Providing Leisure Services
-  Other Bedford Borough Properties

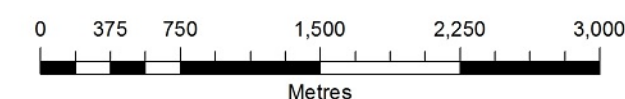
Adult & Children Services properties include day centres & residential homes
Environment & Regulatory Services properties include cemeteries, open space, depots & waste disposal sites
Foundation & Community Schools include schools, nurseries & children centres
Investment Estate include agricultural & commercial units
Leisure Services properties include allotments, leisure & sport facilities
Other Bedford Borough Properties include Economic Development buildings, traveller sites & head office buildings

Appendix 2a - Bedford Borough Council Properties within Bedford Urban Area (Excluding Highways Assets)

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Drawn By: LJW
Date: 08 March 2017



Appendix 2b - Bedford Borough Property Portfolio

Property Services
Bedford Borough Council



Legend

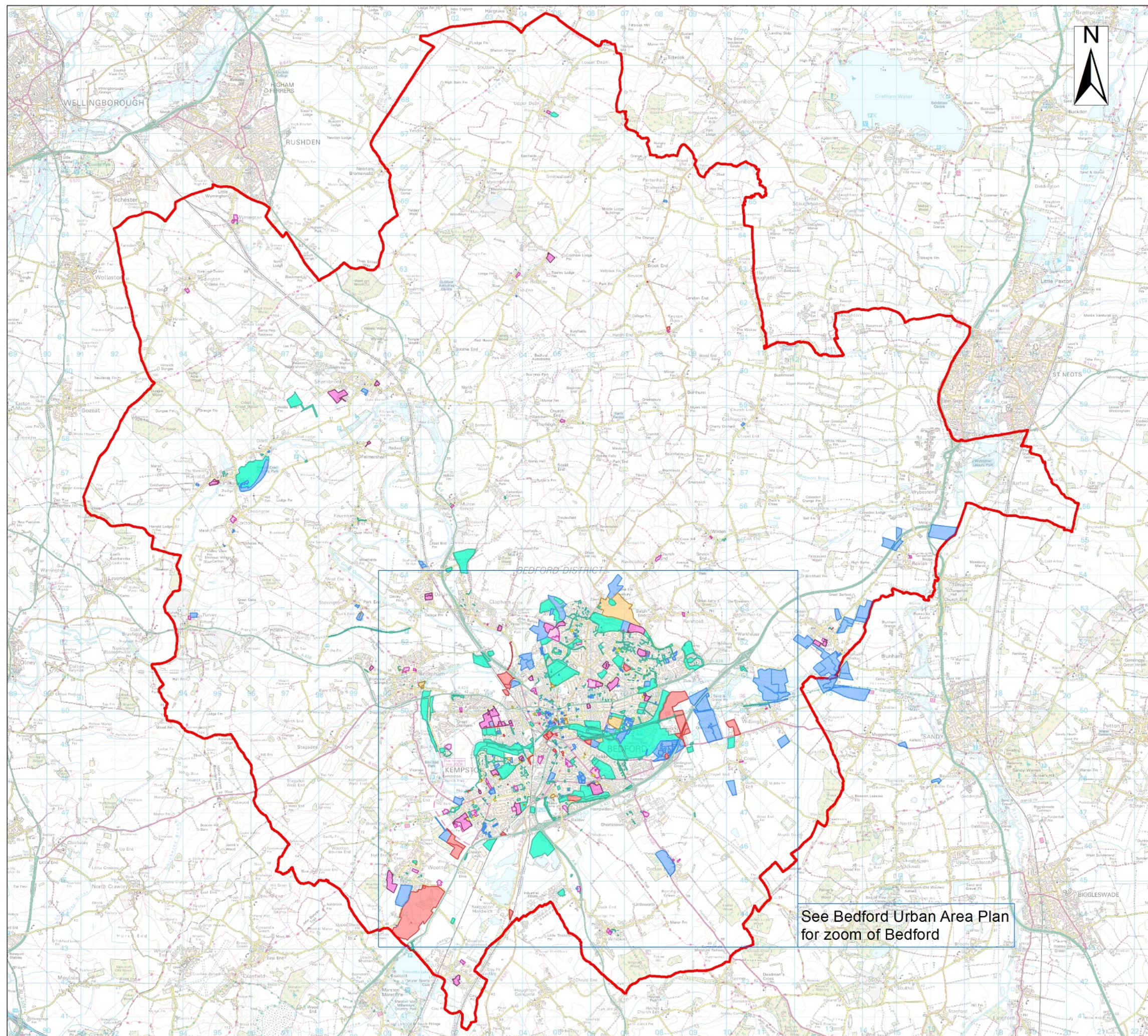
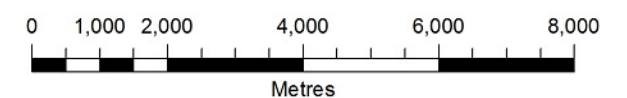
- Properties Used by
Childrens and Adult
Services
- Properties Used by
Environment and
Regulatory Services
- Foundation and Community
Schools
- Transferred Schools
- Investment Estate
- Properties Providing
Leisure Services
- Other Bedford Borough
Properties

Childrens and Adult Services properties include day centres and residential homes
Environment and Regulatory Services properties include cemeteries, open space, waste disposal and depots
Foundation and Community Schools include Council run schools and children centres
Investment Estate includes agricultural lands and commercial units
Leisure Services properties include libraries, sports & leisure facilities and community centres
Other Bedford Borough Properties include Econinic Development buildings, traveller sites, head office buildings and other non-investment properties
Appendix 2b - Bedford Borough Council Properties within Bedford Urban Area (Excluding Infrastructure Assets)

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Drawn By: LJW
Date: 08 March 2017



See Bedford Urban Area Plan
for zoom of Bedford

Property	Building GIA (sqm)	Cost per sq m (Council funded)	Asset Annual Running Cost to Council	Equivalent asset reinstatement cost
Adult Services				
21 - 23 Gadsby Street	403.35	61.69	£ 24,884	£ 220,000
3 Woburn Road	509.81	0.77	£ 395	£ 780,000
29 Barford Avenue	797.00	0.00	£ -	£ 390,000
Brookside Residential Home	963.19	38.91	£ 37,482	£ 1,100,000
Conduit Day Centre	278.56	18.73	£ 5,218	£ 175,000
Flat 16 Huddleston Way	42.24	215.36	£ 9,097	Leased in
George Beal House	920.55	45.44	£ 41,832	£ 1,700,000
Goldington Social Centre	729.46	69.57	£ 50,746	£ 1,850,000
Highfield Residential Home	1,406.15	33.49	£ 47,095	£ 1,400,000
Kempston Centre	1,446.83	37.18	£ 53,791	£ 3,600,000
Parkside House	114.94	5.56	£ 639	
Parkside Residential Home	1,213.93	44.43	£ 53,940	£ 1,300,000
Puttenham Residential Home	1,925.51	34.89	£ 67,183	£ 2,000,000
Raleigh Centre	1,511.86	49.46	£ 74,777	£ 840,000
Rivermead Residential Home	1,240.92	43.17	£ 53,575	£ 1,100,000
Southway Residential Home	1,941.33	42.31	£ 82,130	£ 2,200,000
Poplar Tree Court Adults Home	1,317.00	0.00	£ -	£ 2,800,000
Children Services				
Child Development Centre	1,469.74	30.34	£ 44,596	£ 3,240,000
Enterprise House	638.51	147.11	£ 93,930	£ 235,000
Foxgloves	704.67	49.98	£ 35,222	£ 1,420,000
Kempston Youth Centre	481.15	58.48	£ 28,137	£ 1,600,000
Sunflower House	321.57	75.67	£ 24,332	£ 1,000,000
80 Bunyan Road	2,772.00	0.00	£ -	£ 350,000
15 Children's Centres		0.00	£ -	
Corporate				
26 Cauldwell Street	301.60	99.19	£ 29,915	£ 140,000
Cauldwell Street Car Park		0.00	£ -	£ 515,000
Borough Hall Complex.	16,970.98	92.74	£ 1,573,847	£ 4,850,000
Jobs Hub	164.36	114.46	£ 18,813	Leased in
Travel & Tourism Centre, Bus Station	75.00	0.00		£ 140,000
Customer Service Centre/Old Town Hall	1,307.00	148.27	£ 193,793	£ 1,805,000
Environment & Sustainable Communities				
Bedford Central Library	2,787.99	89.23	£ 248,778	£ 4,700,000
Bromham Library	186.01	75.60	£ 14,063	£ 683,000
Bromham Mill & Art Gallery	889.08	16.71	£ 14,853	
Corn Exchange, inc Harpur Suite, Howard Rooms and 13 St. Paul's Square.	3,963.36	77.23	£ 306,109	£ 5,085,000
Barkers Lane Depot	1,170.00	61.30	£ 71,719	£ 436,000
Brunel Road Depot	1,450.00	110.79	£ 160,648	£ 900,000
London Road Depot	2,569.00	0.00	£ 541	£ 720,000
Mowsbury Park Nursery Depot	892.00	2.48	£ 2,211	£ 355,000
Hillgrounds Changing Rooms	300.00	2.91	£ 873	£ 716,000
Kempston Library	463.25	52.44	£ 24,294	£ 900,000
Moor Lane Changing Rooms	88.00	12.92	£ 1,137	
Moot Hall	238.17	26.02	£ 6,198	
Putnoe Library	273.53	67.30	£ 18,408	£ 660,000

Stevington Windmill			£	402		
The Higgins	1,694.00	183.54	£	310,924	£	10,200,000
Wixams Changing Rooms			£	4,490		
Woodlands Changing Rooms	380.00	6.10	£	2,316		
Wootton Library	218.94	68.80	£	15,063	£	805,000
Bunyan Sports Centre	4,621.00	0.00	£	-	£	4,000,000
Oasis Beach Pool	2,965.00	0.00	£	-	£	5,300,000
Blue/white Peris	1,000.00	0.00	£	-	£	375,000
Kempston Pool	1,446.00	0.00	£	-	£	3,200,000
Mowsbury Golf & Squash Complex	1,125.00	0.00	£	-	£	3,400,000
Robinson Pool	3,535.00	0.00	£	-	£	6,200,000
Bedford International Athletics Stadium	3,201.00	0.00	£	-	£	7,700,000
Kempston Outdoor Centre	See entry for Kempston Youth Centre	0.00	£	-	See entry for Kempston Youth Club	
109 London Road	137.89	6.39	£	881	See entry for London Road Depot	
Allhallows Multistorey Car Park	15,214.00	7.01	£	106,668	£	5,300,000
Elstow Park And Ride	118.09	439.68	£	51,921	£	4,250,000
Great Denham Park and Ride	-	0.00	£	-	£	2,900,000
Lurke Street Multistorey Car Park	20,606.00	9.14	£	188,280	£	7,000,000
Norse Road Crematorium	1,538.00	106.18	£	163,312	£	4,950,000
Queen Street Multistorey Car Park	16,900.00	5.87	£	99,256	£	4,600,000
Queens Park Community Centre	320.43	23.95	£	7,674	£	468,000
River Street Multistorey Car Park	13,664.00	5.57	£	76,176	£	5,600,000
St Pauls Square / Market Square Public Conveniences	61.00	93.57	£	7,019	£	230,000
Prebend Street Car Park		0.00	£	-	£	1,700,000
Melbourne Street Car Park		0.00	£	-	£	370,000
Ashburnham Road Car Park			£	-	£	1,900,000
Elstow Landfill Site						
Elstow Waste Transfer Centre		0.00	£	-	£	1,300,000
Tidy Tip, Barkers Lane		0.00	£	-	£	490,000
74 Twinwoods, Salt Store	-		£	15,000		Leased in
St. Peter's Street Car Park		0.00	£	-		Leased in
Greyfriars car park	-	0.00	£	-	£	1,105,000
Duckmill Lane car park	-	0.00	£	-	£	95,000
Parks						
Addison Howard Park	291.09	10.49	£	3,053		
Allen Park	452.00	5.52	£	2,495	£	757,000
Bedford Park	1,050.00	12.70	£	13,332		
Harrold & Odell Country Park	167.70	131.06	£	21,979	£	471,000
Mowsbury Park	1,156.46	4.58	£	5,291		
Priory Country Park	312.93	101.39	£	31,728	£	584,000
Russell Park	238.00	33.17	£	7,895		
Other						
Cauldwell Community Centre	325.86	20.81	£	6,782	£	813,000
Church Lane Community Centre	541.01	51.92	£	28,088	£	670,000
Faraday Square Community Centre	191.09	23.13	£	4,420	£	487,000
Foster Hill Road Cemetery	637.24	22.04	£	14,045		
Jubilation Centre	459.91	21.81	£	10,030	£	712,000
Scott Hall Community Centre	278.81	17.49	£	4,878	£	733,000
Southfields Community Centre	308.91	16.73	£	5,167	£	594,000
Tavistock Community Centre	330.25	18.89	£	6,240	£	791,000
i-lab	2,267.00	0.00	£	-	£	3,800,000

i-kan	445.00
i-create	380.00
Various service tenancy houses situated on larger sites	

0.00	£	-	£	155,000
0.00	£	-	£	120,000

£ 4,730,005

Sufficiency	Suitability 1-5
1- Just right	1- Very suitable
2-Too big	5- Not suitable
3-Too small	

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Property Review Comments

Independent Living Centre. Refurbished 2012. Part sub-let to related user.
Mental Health Service provider in occupation from April 2015. All property costs borne by occupier.
Mental Health Service provider in occupation from April 2015. All property costs borne by occupier.
Home for adults. No en-suites. Managed in-house from 2015.
Now closed and transferred to the commercial estate.
Local care office use only.
Purpose built adult care home / respite unit.
Purpose built day care centre for elderly people.
Elderly Person Home. No en-suites. Refurbishment will increase suitability rating to 2
Purpose built day care centre for Adults with mental and physical difficulties. Layout doesn't meet all modern
Vacant. Former staff house at rear of home. Available for suitable tenant.
Elderly Person Home. No en-suites. Refurbishment will increase suitability rating to 2
Elderly Person Home. Includes en-suites. Refurbishment will increase suitability rating to 1
Former School with poor road access. Victorian building so will never be up to modern efficiency standards.
Occupied by various adult education users including day time and evening craft workshops. Remaining vacant
rooms being converted to One Public Estate Training Suite, shared with Bedford Hospital.
Elderly person home. No en-suites. Refurbishment will increase suitability rating to 2
Elderly Person Home. No en-suites. Refurbishment will increase suitability rating to 2
New adult home for independent living built 2014. Entirely let to Aragon Housing Association who pick up all

Building shared with NHS. Running costs shared.
Refurbished 2012. Used by Youth Offending Team and Music Service
Unsuitable Victorian house and grounds with bespoke extensions for use as Children's Home. Study into
Youth Centre adjoins outdoor centre to rear.
Modern purpose built children's care home. Additional garden land acquired 2016. Study in to Children's homes
Children's Home in converted Victorian residence. Refurbished 2011, but expensive to run. Occupied by service
provider who picks up all running costs. Consider constructing new building in grounds or acquiring new
premises at contract expiry. Study into Children's homes proposed.
Service provided through service contract with provider. Various sites, including school sites. Maintained by
BBC. Running costs paid by the provider.

Council vacated January 2017. Economic Development proposing local start up business use.
Staff car park included within 'One Public Estate' review.
Head Office, Records Building and Council Chamber. Main office refurbished 2013-2015. Police occupy ground
floor and are considering part first. The digital model and agile working will lead to other areas becoming
Location and overall size good - difficult configuration.
Operation closed. Building may transfer to the commercial estate.
Main contact centre and Register office. Also used by BPHA. The digital model may increase the requirements

Café brings in rental income supplementing operational costs. Potential to intensify use of third floor space.
Library review underway.
Heritage Site. Watermill brought back to working condition in 2017.
Central events venue and theatre. The age and listed status as well as the nature of operations can lead to
some issues, heating the building for example can be costly. Review of operating model underway.
Included within Depot Review
Included within Depot Review
Included within Depot Review. Currently leased to CBC's highways contractor.
Included within Depot Review
Recently extended.
Wooden structure. Therefore time limited. Library review underway

Heritage site. Review of heritage sites underway
Library review underway.

Heritage site. Review of heritage sites underway
Borough Museum. Extensively refurbished 2013/4.

Library review underway.

Sports Centre. Included in leisure contract. Leased to operator who picks up all day to day running costs

Swimming Pool. Included in leisure contract. Leased to operator who picks up all day to day running costs.

Structural review being undertaken 2017.

Outward bound centre in North Wales. Included in leisure contract. Leased to operator who picks up all day to

Swimming Pool included in leisure contract. Leased to operator who picks up all day to day running costs

Golf Club. Included in leisure contract. Leased to operator who picks up all day to day running costs

Swimming Pool. Extended 2016. Included in leisure contract. Leased to operator who picks up all day to day

International Athletics centre with adjacent games pitches. Included in leisure contract. Leased to operator who picks up all day to day running costs

Rear part of split site. Otherwise used as Kempston Youth Centre. Rear portion of site is included in leisure contract and leased to operator who picks up all day to day running costs

Former house previously used as office for London Road Depot. Used for storage pending future decisions regarding depot.

Refurbished 2014. Running costs met out of revenue generated.

Advertising hoardings bring in small income.

Constructed 2012. Self funded operation.

Running costs met out of revenue generated.

Purpose built facility. More land acquired 2008/9 for additional burial ground.

Running costs met out of revenue generated.

Possible Community Transfer

Running costs met out of revenue generated.

Pay and display and staff car park. Self funded operation. Included within 'One Public Estate' and Borough Hall

Pay and display and staff car park. Self funded operation. Included within 'One Public Estate' review.

Pay and display car park. Self funded operation.

Former landfill site. Contaminated land. Requires capping and sealing. Methane gas generator on site provides

Service Provider picks up day to day running costs.

Service Provider picks up day to day running costs.

Salt store provision included in Depot Review.

Pay and Display car park. Self - funded operation.

Pay and Display car park. Self-funded operation.

Pay and Display car park. Self-funded operation.

Dedicated as a Charitable Trust. Grounds Maintenance mess room under consideration as part of the depot Community Asset. Changing Rooms refurbished 2014/15

Dedicated as a Charitable Trust. Relocating mess room to Foster Hill Road. Café lease generates income for Community Asset. Café lease generates income for park up-keep.

Community Asset. Mess under consideration as part of the depot review.

Community Asset. Storage compound on site. Country Park Guardians based at Barkers Lane. Recently created café in the visitors centre generates income through lease.

Community Asset.

Possible Community Transfer.

Major refurbishment 2016/17. Possible Community Transfer.

Possible Community Transfer

Heritage Property Chapel building and gatehouse use limited by existing condition, age and location.

Possible Community Transfer

Possible Community Transfer.

Possible Community Transfer.

Possible Community Transfer.

Bedford Innovation Centre. Individual Suites let out on licences. Self funded.

Office start-up centre. Self funded operation.

Studio use. Entirely let out to tenant who organises sub-let uses by operators. Self funded operation.

Potential for all vacant houses not required for on-site personnel to be assessed for letting out through Borough Housing Company.

BEDFORD BOROUGH COUNCIL

PROPERTY INVESTMENT AND DEVELOPMENT STRATEGY 2017-2022

PURPOSE

The Property Investment and Development Strategy will actively contribute to the delivery of the goals set out in the Corporate Plan 2017/21 and will be incorporated into the Corporate Asset Plan 2017/22 (CAP). The purpose of this Strategy is to:

- Establish the strategic justification for investing in property
- Review the current structure and performance of the portfolio
- Establish a strategic framework and investment priorities over the period of the strategy
- Establish clear investment criteria to be applied to both the existing portfolio and in the assessment of future opportunities
- Review and confirm the key principles and policies for the management of the portfolio over the life of the strategy
- Set in place an action plan that will be reviewed on an annual basis

INTRODUCTION

The Council has a duty to ensure the prudential management of its resources. The RICS 'Local Authority Asset Management Best Practice Note 06: Tenanted Non-Residential Property' recommends that Local Authorities should have a specific statement about how the portfolio is to be taken forward for the benefit of the whole organisation and which will act as a framework to guide management decisions and action. The financial situation of the Council means that it is even more important to ensure that the authority is maximising the use of all its available resources including its fixed assets, thus ensuring cost-effective returns¹ from its investment portfolio and surplus assets.

This document proposes strategic investment in commercial property through a combination of acquisition and development together with continued proactive management of the existing estate in order to create additional rental income and/or capital returns that will create additional financial resources to contribute towards funding front-line services.

The strategy covers the commercial portfolio and direct investment in property only, but it does explore opportunities that can be delivered by working in partnership with the recently established Benedict Bedford Limited (BBL), set up following the decision by full Council on 12 October 2016 to set up a housing company. This strategy acknowledges that direct investment is only one form of investment and the Council may choose to invest in a range of investments including property funds, equities and gilts/bonds. The balance of investment held by the Council is outside of the scope of the Property Development and Investment Strategy. The extent of the Council's direct investment in property will and the target rate of return are key elements of this strategy and will need to be reflected in the Council's Capital Strategy.

¹ Return in the context of this document refers to income expressed as a percentage of capital value. Income may be revenue, capital or both, but unless specifically stated, return(s) should be taken to mean rental income.

STRATEGIC JUSTIFICATION AND PRIORITIES

The goals set out in the Corporate Plan 2017/21 are the key drivers for this strategy which can be summarised under two main headings:

- Income generation in order to generate additional financial resources that will contribute towards the supporting people, enhancing places and empowering communities; and
- Economic growth through providing facilities and infrastructure that will enable business start-up and growth.

Income Generation

The Council needs to achieve ongoing revenue savings of £25 million over the next four years. The Medium Term Financial Strategy (MTFS) states that the Council 'will seek to supplement its resource base by exploring income generation opportunities, with appropriate emphasis on the pursuance of "invest to save" opportunities where statutory powers exist. This includes, for example, investment in the Council's commercial property portfolio...and...deriving a financial payback from acquisition of new income earning asset.' (Medium Term Financial Strategy 2017-2020). In addition to rental income, property development will generate additional business rates half of which will be retained by the Council. Income generation opportunities will make important contributions toward bridging the deficit and, in turn, reduce the need to make cuts to front-line services.

Accordingly, income generation is one of the key themes of the revised CAP:

'The Council will continue to proactively manage its existing commercial property portfolio.

It will re-structure its existing portfolio, increasing the proportion of higher yielding assets with manageable risk profiles, and disposing of a number of lower yielding investments.

It will seek to increase income from commercial property through strategic acquisition and development of land within its ownership.'

Economic Growth

Many authorities are increasing income through investment outside of their administrative boundaries. For Bedford Borough Council, '**Creating Wealth**' is a one of the four priorities of the Corporate Plan 2017/21. The Council is fortunate in having land holdings allocated for employment development and prioritising investment in these opportunities will deliver multiple benefits in terms of not only generating income, but will also enabling local business to expand and drawing in new investors thus creating employment opportunities and strengthening the local economy. This strategy is, therefore, inextricably linked with the Council's Growth Plan and the priority will be to focus investment within the Bedford Borough boundaries.

In addition to its own assets, the Council has been fortunate in attracting funding under the Government's One Public Estate (OPE) initiative. This area based programme involves public sector partners working together to reduce overall property costs. Key outcomes will include capital receipts, sites released for housing and other development bringing wider economic benefits to the area. Working with other public sector partners will release assets that will provide additional investment and development opportunities that may be delivered through a range of joint venture arrangements. The OPE programme, therefore, will provide further scope to generate income and economic growth through investment within the Council's administrative area.

THE CURRENT INVESTMENT PORTFOLIO AND STRATEGY

As at 1 April 2016 the Council held 123 commercial investment assets comprising in the region of 325 separate tenancies excluding agricultural land, minor agreements such as garden licences, wayleaves and residential long leases of flats above shops.

The total capital value of the commercial estate as at 1 April 2016 was £44.79 million, figure 1 below shows the distribution of capital values across the sectors.

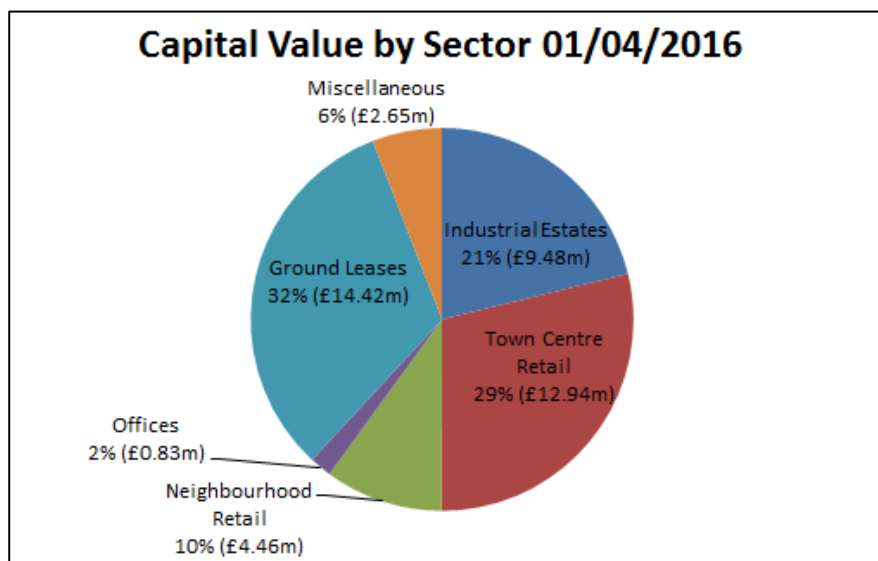


Figure 1: Capital Value Analysis

The gross annual rental receivable from the commercial estate stood at £3.4 million on 1 April 2016 and the Estimated Rental Value (ERV)² of the estate was in the region of £4.5 million. Figure 2 below shows how the income is split across different sectors. The portfolio made a net contribution to Council budgets/reserves of £3.2 million.

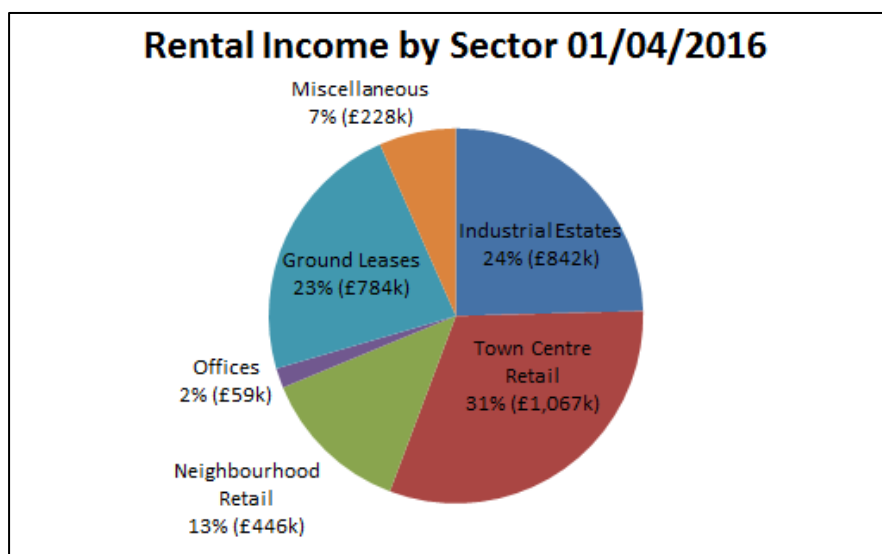


Figure 2: Rental Value Analysis

The Council's primary purpose for holding its investment estate has been to generate income return. Equivalent yields³ for the Council's estate are typically between 6% and 10% with the average across

² The Estimated Rental Value is the assessment of market rental value at the valuation date

³ The Equivalent Yield is the average weighted return the property will produce according to the present net income and ERV assumptions

the whole estate between 7.5% and 8.5%. Total yield⁴ from the Council's estate for the year 2015/16 was 13.82% and over the period 2013 to 2016 it amounted to 27%. Unless specifically stated otherwise, the term yield in the remainder of this strategy refers to equivalent yield.

The yield represents the risk that investors associate with ensuring a long term income, including the potential for growth. Yields can range from 2% (low risk) for prime London Property to over 20% (high risk) for dated property in secondary locations with high vacancy rates. The yield profile of the Council's portfolio compares favourably with typical equivalent yield ranges, which, based on market intelligence and research reports published by major firms of chartered surveyors, would be:

2-4%	Prime Retail
4-7%	Retail/office let to blue chip / high covenant strength tenants on with over 10 years unexpired.
7-8%	Prime offices (city centres) or retail within established town centres
8-12%	Prime industrial and offices in established locations
12-20%	Secondary/ tertiary industrial

The average number of units vacant in any one month averaged 15 over the last 2 financial years, which is approximately 5% of the available letting space. This vacancy rate is comparable with private sector portfolios.

The Council's current investment portfolio has not been specifically acquired, but has been built over a number of years for a range of reasons, including:

- Economic development
- Regeneration
- Housing development
- Car park development
- Ex-operational
- Strategic acquisition
- Social/economic infrastructure
- Local government reorganisation

Although the development of the estate has been more opportunistic than strategic, the Council is fortunate in having a portfolio that performs well. In terms of balance, the portfolio reflects the Bedford Borough economy, where there is a strong industrial/ distribution base and a much smaller office based service sector. The Council's industrial portfolio comprises mainly traditional smaller manufacturing units rather than larger warehouse properties accommodating the growing distribution sector.

The Property Strategy 2012/17 (Commercial Estate) is the current framework for the management of the portfolio. The main objectives for the Commercial Estates, which reflect the key corporate priorities and strategies in 2012, have been to:

- Maximise the annual net income return from the Estate
- Support the Council's Economic Development Initiatives
- Assist the voluntary sector with premises
- Conserve leisure and sporting facilities for ongoing use by the Public

The Council has a robust set of estates management principles and processes, which have been fundamental in achieving the performance outlined above. The procedures are reviewed regularly to ensure that they are fit for purpose.

⁴ Total yield is the combined capital and revenue return

The performance of the portfolio is reviewed annually as part of the annual Asset Valuation exercise, data from the most recent analysis has been used to create Figures 1 and 2 above and further detail is appended to this strategy document. This data excludes Woleseley Business Park which was acquired in November 2016. In addition each asset is reviewed regularly against a range of criteria in order to assess the strengths, weaknesses, opportunities and threats (SWOT) relating to that particular investment. Each SWOT analysis is recorded in a brief report that summarises the strategy for the asset in question. From this work it has been possible to draw a number of conclusions that will provide the basis of the strategy for the next 5 years:

Strengths

- The principles established in the previous strategy and CAP, namely adopting a commercial approach, whilst remaining a responsible landlord has resulted in the Council becoming a landlord of choice.
- As stated above, the portfolio is relatively well-balanced portfolio, with mixture of secure income from ground leases, higher risk investments and multi-let properties that enable the Council to spread the risks and maintain the rental income stream
- The Council's vacancy rates are comparable with the private sector due in part to the buoyancy of the local economy, but also to the estates management approach mentioned above.
- The Estate actively supports all corporate objectives through: Providing a significant income stream; accommodating voluntary organisations that support people and empower communities; providing leisure and cultural opportunities; and supporting the local economy by meeting property demand not catered for by private sector landlords.

Weaknesses

- The structure of the portfolio is traditional. The offices are particularly poor quality and the only sector that has shown a decrease in value and a negative total return over the past 4 years. There is a noticeable lack of high quality offices, warehouses and space suitable for the 'high-tech' sectors within the portfolio, which form the focus of the Council's Growth Plan
- The majority of the assets in the portfolio were constructed more than 30 years ago, which results in a degree of obsolescence and maintenance/renewal liabilities that are outside of tenants' repairing obligations. There are particular issues with industrial units where many roofs have reached the end of their useful life and where the construction results in poor energy performance.
- A significant number of long ground leases and low rents that limit potential to realise the full estimated rental Value (ERV) of the portfolio. The current gap between rent receivable and estimated rental value of the portfolio is in the region of £1 million, but lease expiry dates and lack of rent reviews in the leases preclude achieving market rent.
- The drive to maximise income has created a number of risks in the portfolio. For example the use of tenancies at will, tenants being left to hold over where rents are above market rents and the use of business builder leases, which include rolling break clauses. All of these arrangements mean that tenants can terminate their occupation at short notice. Progress has been made over the past two years to address this problem, but the use of the tenancy at will is still more prevalent than is desirable.
- At the time of finalising this strategy, the current vacancy rate is running at 2% (below the private sector benchmark of 5%), but enquiries are still strong particularly for industrial and retail units. In addition the Council receives a significant number of enquiries for car repair premises, which it is unable to accommodate within the existing industrial units.

Opportunities

- Requests for alterations and extensions to ground lease are received regularly. These need to be considered positively and used as an opportunity to increase rental income.
- There are a number of arrangements where there is significant marriage value to be realised through sale to the existing tenants. Unless there is a strategic reason for retaining the

freehold interest, selling and reinvesting the capital receipt creates opportunity for increasing income.

- The recent creation of Benedict Bedford Limited (BBL) provides opportunities for residential and mixed-use development either through conversion or refurbishment of accommodation above retail units or redevelopment or conversion of land/buildings that no longer meet the investment criteria established within this strategy.
- The Council has acquired two new investment assets during life of the current strategy. 14/28 Allhallows was purchased in 2014 in order to enhance the redevelopment of the Bus Station and Wolseley Business Park was bought at the end of 2016 as a precursor to this strategy. In addition, the Council will be granted leases of four commercial units on the Riverside North Development. All three assets provide opportunities for additional rental income through proactive management.
- The gap between rent receivable and ERV, although not fully realisable, does present a number of opportunities for rental growth all of which should be actively pursued as early wins in the new strategy.
- There are development opportunities within the existing commercial estate, operational properties that are likely to become surplus and land that has been held for sale.
- The Growth Plan will deliver demand for property, much of which will require high quality accommodation that is not currently represented in the portfolio or in Bedford Borough at present. Some of this demand will provide investment opportunities for the Council.
- Known demand/requirements also present opportunities for investment and development either within the existing portfolio or on land allocated for development.

Threats

- Although the economy is relatively strong at present, there is significant uncertainty created by the decision to leave the EU and other worldwide political and economic factors. Building in resilience to ensure that income is maintained during economic down turn will be important.
- The requirements under the Energy Act 2011 to achieve Minimum Energy Performance Standards (MEPs) place a burden on landlords and without investment some properties will become unlettable after 1st April 2018. Future investment plans must include provision for meeting the Council's obligations under this Act and work is underway to assess the budget requirements.
- Bedford town centre is strong in comparison to similar sized town centres, with vacancy rates being well below the national average. For example, in 2015 Bedford's vacancy rate was reported to be 5% compared to 7.5% in Northampton. The increase in on-line shopping will continue to impact on the retail property market and, therefore, reducing reliance on this sector may be advisable.
- The lack of financial resources to invest in portfolio and development opportunities threatens the Council's abilities to take advantage of openings that arise. Despite the challenge of budget cuts, an 'invest to save' approach is required in order to maximise the opportunities available.
- Progressing identified development opportunities will require both time and skills. Ensuring that there is the capacity to deliver these projects will be essential.
- Currently, there is no streamlined process for approving investment and development projects beyond the annual capital programme review process. A clear, timely and efficient process is required if opportunities are not to be missed or lost.

STRATEGIC FRAMEWORK AND INVESTMENT PRIORITIES

The remainder of this document sets out the strategic framework and priorities that will enable the Council to capitalise on the strengths of the current portfolio, take advantage of the many opportunities that exist, address the weaknesses and manage the threats identified in the previous section. There are three strands to this strategy and these are:

Proactive management of existing portfolio

The proactive management of the estate will ensure that opportunities are identified and progressed. The key elements under this heading will be:

- Continue to apply the existing principles for and a proactive approach to the management of the commercial estate
- Undertake a detailed analysis of the commercial portfolio against the investment criteria below and complete SWOTs for each asset in order to identify investment, development and divestment opportunities. This will include assessing the current assets against the investment criteria set out below.
- Ensure that security and maximisation of income are given equal priority e.g. ensuring that the process of granting leases is simplified, that tenancies at will and business builder leases are phased out and ensuring that tenant viability is not sacrificed.

Delivering further additional income through strategic acquisition, disposal and development in Bedford Borough

The combination of Bedford Borough's geographic location, the Council's land ownership and the ability of local authorities to borrow at very low interest rates presents a unique opportunity to both trigger economic regeneration and generate additional revenue. Realisation of these opportunities will require a business case to be made for resources to be allocated to commercial property investment and development. The main elements will be:

- Developing the business case for an investment fund that will enable the Council to expand the portfolio and make a contribution towards the Council's projected budget deficit and enabling economic growth/regeneration within the Borough.
- Disposal of lower yielding investments and reinvesting the proceeds in higher yielding assets with manageable risk profiles in order to produce additional income.
- Disposal or redevelopment of high risk, management intensive properties. Receipts from disposals will be recycled into the purchase of lower risk properties that yield optimal rental growth and stable income.
- Proactively seeking investment acquisitions through building links within the local property market.
- Realising development opportunities within existing portfolio and development sites such as Marston Vale Business Park and Fairhill. This will give some opportunity to meet demand identified from existing enquiries and the Growth Plan.
- Working in partnership with the Benedict Bedford Limited (BBL) to realise residential investment opportunities identified within the portfolio.
- Development of smaller schemes identified through the review of the existing investment and operational estates.
- Working in partnership with other public sector organisations and the private sector to deliver the projects identified through OPE.
- Seeking Joint Venture arrangements with local businesses and other property owners to progress strategic acquisitions and development opportunities whilst reducing the Council's risk exposure.

The above initiatives will improve the balance of the portfolio and produce the highest yields possible, whilst carrying an acceptable level of risk. The activities that will be involved in delivering these strategic objectives will be reviewed annually, but the initial programme of work is outlined in the Action Plan at the end of this document. Implementation of the strategy will require clear and stringent investment Criteria

Delivering further additional income through strategic acquisition, disposal and development in outside of Bedford Borough

As pointed out earlier in this document, many local authorities are investing in commercial property outside of their administrative areas for financial return. The Council's first priority will be to invest within Bedford Borough as the opportunities exist and there are additional benefits to be realised; however, the possibility of purchasing commercial investments outside of the Borough should not be entirely ruled out. Accordingly, the Council will review the business case for additional investment outside of its administrative area, this will involve:

- Reviewing the opportunities that are likely to be available within the UK investment market.
- Reviewing the risks associated with wider investment and determining whether these can be managed and/or mitigated.
- Establishing clear investment criteria that include geographical limits and investment management considerations that reflect the on-going resource constraints faced by the Council.

FUNDING REQUIREMENTS

The funding requirements necessary to achieve this strategy will be incorporated into the Capital Strategy and Capital Programme. In short, the return on any investment would need to be in excess of the capital financing costs of the borrowing, which consist of the interest payable and the statutory minimum revenue provision (MRP) that sets aside funds for the repayment of the borrowing. Sources of funding will be determined via the annual review of the Council's Capital Programme, but are most likely to either via capital receipts or borrowing from the Public Works Loan Board (PWLb).

INVESTMENT CRITERIA

Investment opportunities will be assessed via a 'gateway' approach, which is illustrated in Figure 3. It will be first necessary to determine whether the proposition will make a positive contribution towards delivery of the Council's corporate priorities. Once it has passed this basic test, the proposal will be tested against a series of strict investment criteria and should it fail then the investment will not progress. The key factors, in order of performance will be:

Rental income:

- Rate of return - the rate of return from the property (e.g. through annual rental incomes) will need to be equivalent or better to the returns that could be earned from alternative investments following adjustment for risks and potential growth. The rate of return will also need meet a minimum rate of return that exceeds the rate of borrowing and MRP.
- Growth - property has the potential for both revenue and capital growth. The Council will take into account that potential when assessing the strength of the investment opportunity. The priority will be to achieve long-term rental return rather than short-term speculation. Property values can fall as well as rise and mechanisms to minimise revenue reductions should be identified.

Covenant Strength:

- Purchases – in the case of a let property, the quality of the tenant and, more importantly, their ability to pay the rent on time and in full. For an existing investment, this will require considering the strength of the existing tenant base.
- Development – for new developments there will need to be proven demand or a pre-let agreement.

Tenure:

- Lease length – In the case of a let property, the unexpired length of the term of the lease is of key importance in ensuring that the landlord's revenue stream is uninterrupted. The Council will take into consideration the risks associated with a tenant vacating and the potential to attract good quality replacements tenants at acceptable rental levels.
- Rent review – The rent review pattern and basis of rental valuation will affect the potential for growth
- Lease covenants – Full repairing and insuring terms which limit the cost and time involved in management together with no other covenants that may adversely impact upon the value of the asset or the Council's ability to manage or dispose of the property in the future.

Property Attributes:

- Location - the location of the property does not necessarily have to be within the Council's boundaries; however, the prospects for economic development within Bedford Borough, the logistics of managing the estate and the statutory powers that this strategy is relying upon indicate that investment opportunities should primarily be sought within the Bedford Borough Council's administrative boundary.
- Sector - information as to the sector of use of the property (e.g. office, retail, industrial, leisure) will assist in deciding on the risks associated with specific properties and the mix of sectors within the portfolio.
- Property Type (Building Age and Specification) – in the case of a let property, whilst the Council, as an investor, may be principally concerned with the characteristics of the tenant and lease, the age and specification of the property will also affect the ability of the Council to let or sell the property in the future.
- Strategic fit – particularly in relation to Corporate and Local Plan objectives

Risk Profile:

- How the investment proposal performs against the above criteria will provide an overall picture of the risk profile and the extent to which these are manageable. The final assessment will consider factors such as:
 - Market exit constraints
 - Physical factors relating to the building and its location
 - Environmental factors e.g. MEPS

Existing investment assets will also be assessed against these criteria via the SWOT process. Performance against the criteria will be a key factor in determining whether the property is retained or not.

Each investment opportunity will require a business case that includes an appraisal against the above criteria and a risk assessment. There may be exceptional circumstances where, for strategic reasons, the requirement to meet the above criteria is relaxed; the business case for doing so and the risk management strategy will need to be strong in these situations. Governance arrangements that ensure robust and prompt decision making will be introduced, proposals for these are set out below.

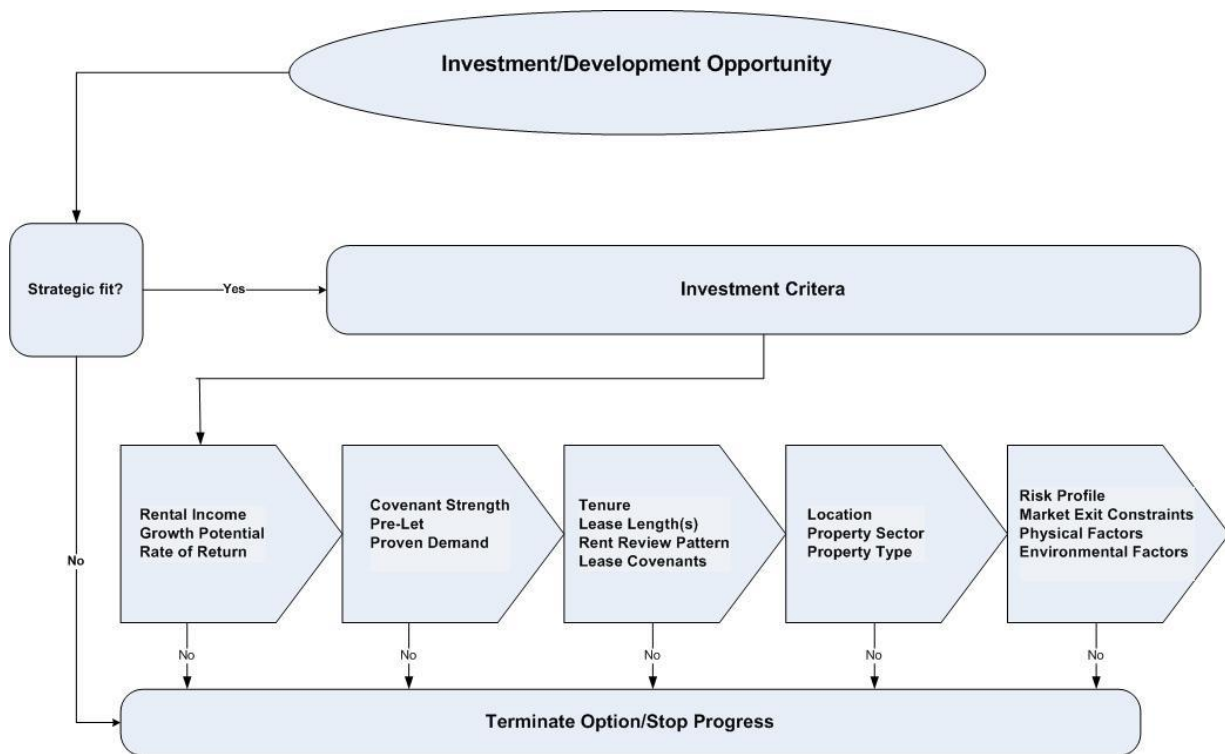


Figure 3: Bedford Borough Council Investment Criteria

Governance

Key to the success of this strategy will be the ability of the Council to make robust investment decisions and for it to be able to respond quickly to investment opportunities that arise.

It is proposed that, once an investment fund has been established, authority for approving investment decisions should be delegated to the Head of Property Services in consultation with the Chief Executive, Assistant Chief Executive & Chief Finance Officer, the Mayor and Portfolio Holder for Finance who together will form the **Property Investment Board**.

The **Corporate Capital Strategy and Asset Management Group (CCS&AMG)**, which is chaired by the Head of Property Services, will be responsible for overseeing delivery of the strategy. In particular, the CCS&AMG will:

- Be responsible for overseeing the delivery of the investment portfolio objectives and will be asked to review annually the overarching investment strategy and provide guidance on commercial property policy;
- Monitor progress against performance indicators and ensure corrective action is identified and progressed where required; and
- Maintain oversight of acquisitions, disposals, programme funding, cash-flow, and project resourcing and provide guidance on programme priorities;

To enable the Council to respond quickly to investment opportunities, the CCS&AMG will establish a sub-group, to be known as the **Investment Property Review Group**. This group will be responsible for preparing business cases for the acquisition of new investment properties or new development projects and presenting these to the Property Investment Board for approval.

ACTION PLAN

The following sets out priority actions for the first year of this strategy. The plan will be reviewed annually as part of the review of the CAP Action Plan.

No.	Action	Target	Responsibility
1.	Implement robust but speedy process for approval of investment business cases	Sep 2017	Chief Officer for Growth & Property
2.	Review Treasury Management Strategy to incorporate funding requirements to deliver the Property Investment Strategy	Dec 2017	Head of Corporate Finance
3.	Complete SWOT analysis for each current asset within the portfolio	Dec 2017	Estates Manager
4.	Complete 2017 Asset Valuation and performance analysis	Mar 2018	Estates Manager
5.	Simplify and standardise lease documentation to enable agreements to be completed promptly and reduce the use of tenancies at will.	June 2017	Legal Services
6.	Ensure that all rent reviews and lease renewals are allocated and actioned in a timely manner.	Review quarterly	Estates Manager
7.	Arrange programme of meetings/discussions with local agents, developers and investors	Jun 17	Estates Manager
8.	Identify a list of potential disposals for approval by Mayor	Jan 2018	Estates Manager
9.	Develop implementation plan for delivery of disposals	Feb 2018	Estates Manager
10.	Deliver completion of Marston Vale Business Park sale	Dec 2017	Estates Manager
11.	Work across the Growth and Property service to follow up interest expressed to date and follow up all new enquiries	On going	Chief Officer for Growth & Property
12.	Work with Early Years team to deliver nursery unit on Marston Vale Business Park on commercial letting terms	Mar 2018	Early Years
13.	Progress disposal of Fairhill development land: a. Progress planning application for infrastructure b. Appoint consultants and commence marketing c. Construction of infrastructure d. Undertake feasibility for development of commercial units at Fairhill for addition to the investment portfolio	Oct 2017 Oct 2017 Mar 2018 Mar 2018	Development Manager Estates Manager
14.	Follow up known office requirement to be delivered at either Marston Vale or Fairhill	Mar 2018	Estates Manager
15.	Progress business cases for residential conversions/development within existing estate	Jun 2017	Estates Manager
16.	Via OPE master planning identify pipeline income generating projects for inclusion in Action Plan going forward	Mar 18	Chief Officer for Growth & Property /Estates Manager

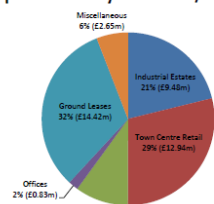
APPENDIX 1

EXISTING COMMERCIAL ESTATE PERFORMANCE DATA

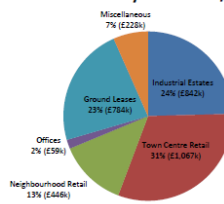
COMMERCIAL ESTATE REVIEW - SUMMARY

Category	Capital Value		Current Rent		ERV		Equivalent Yield		Benchmark		Total Return
	01/04/2015	01/04/2016	01/04/2015	01/04/2016	01/04/2015	01/04/2016	01/04/2015	01/04/2016	Mar-15	Mar-16	
Industrial Estates	£8,355,000	£9,480,000	£714,698	£842,115	£899,150	£997,773	9.99%	9.66%	6.75%	6.75%	23.54%
Town Centre Retail	£12,557,600	£12,944,400	£1,029,664	£1,066,972	£1,175,477	£1,525,181	9.22%	9.21%	6.00%	6.00%	11.58%
Neighbourhood Retail	£4,380,000	£4,464,500	£447,563	£445,770	£478,805	£489,713	10.77%	10.84%	10.00%	10.00%	12.11%
Offices	£675,500	£832,900	£51,085	£58,675	£57,989	£78,800	9.97%	9.80%	5.00%	5.00%	31.99%
Ground Leases	£13,995,250	£14,422,550	£791,493	£783,601	£1,080,300	£1,081,476	6.70%	6.54%	5.00%	5.00%	8.65%
Miscellaneous	£2,398,750	£2,646,400	£184,836	£227,771	£270,839	£295,536	9.10%	9.36%	5.20%	4.75%	19.82%
Total	£42,362,100	£44,790,750	£3,219,339	£3,424,904	£3,962,560	£4,468,479	9.29%	9.24%	6.33%	6.25%	13.82%

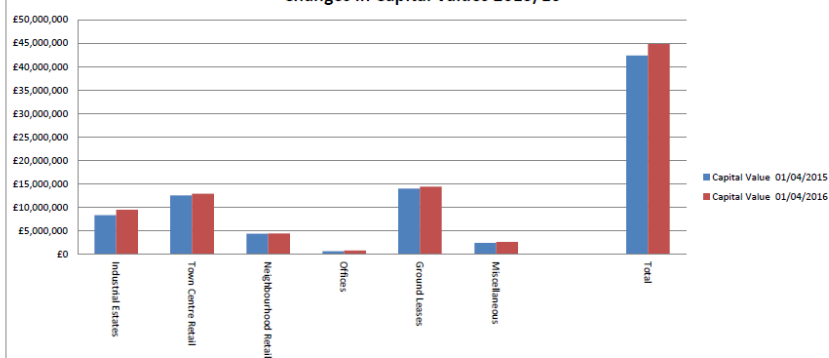
Capital Value by Sector 01/04/2016



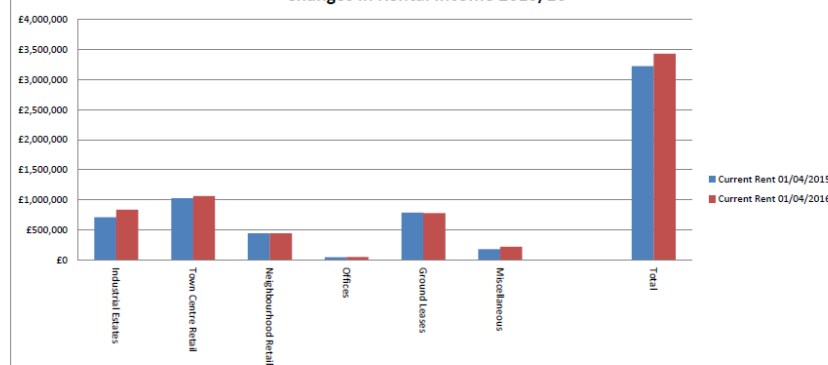
Rental Income by Sector 01/04/2016



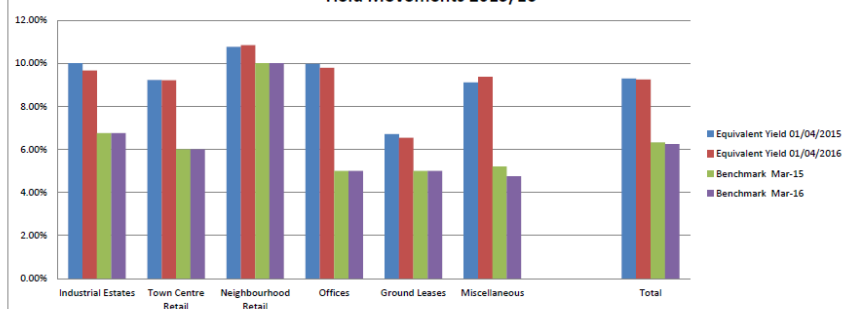
Changes in Capital Values 2015/16



Changes in Rental Income 2015/16



Yield Movements 2015/16



APPENDIX 2

INVESTMENT PORTFOLIO MANAGEMENT PRINCIPLES

1. The Council will charge open market rentals for all lettings of our non-operational property. Not only is this consistent with the principles of S123 of the 1972 Local Government Act and the recommendations of the Audit Commission, but it is also consistent with our financial strategy
2. The Council will regularly review financial rates of return from all properties within the commercial portfolio to ensure that we receive a satisfactory return on our capital, benchmarked against property industry norms, and low risk financial returns. Where returns are poor, we will identify ways to improve financial performance or will consider property disposal and use the proceeds for reinvestment in the commercial portfolio.
3. A number of Council properties are let to non-commercial organisations such as charities and sports clubs etc. The contribution that each makes to the community is valued. However, there are many other similar organisations that do not occupy Council premises and the Council is of the view that all organisations should have the same opportunity to apply for financial assistance. Consequently, the Council do not consider that those organisations that occupy Council property should be given priority assistance through reduced or concessionary rents.
4. The Council manages its non-operational estate on commercial principles. This includes all lettings irrespective of the nature of occupant. In addition to making certain that market rents are obtained, the Council seeks to ensure that the other lease terms are those that would be expected from a commercial landlord and that liability in terms of repairs and day to day management are minimised.
5. The Council will continue to undertake regular tenant surveys to assess the quality of service offered and consult with our tenants concerning any significant proposals that may have an impact on them.
6. Although the CLAS (Commercial Landlord's Accreditation Scheme) accreditation scheme is no longer in operation, the Council will continue to apply the principles of the scheme in letting and managing the commercial estate, including compliance with the Commercial Lease Code.
7. The Council will continue to adopt the Service Charge Code released by the Royal Institution of Chartered Surveyors and endorsed by other national bodies.
8. To ensure a balanced range of services is offered to the public, the Council will seek to (as far as it is legally possible) limit competing trades within its neighbourhood shopping centres.
9. The Council has relatively few repairing liabilities on the commercial estate. The Council will seek to let all premises on a fully repairing basis, thus easing pressure on the revenue budget. The exceptions are premises in multiple occupation where there is little choice but to retain this liability. Where possible the cost of these repairs is recovered via service charges.
10. The Council will continue to invest in its commercial estate to at least maintain the real level of income received.

Appendix 5

GENERAL DISPOSAL CONSENT 2003

PROTOCOL FOR COUNCIL DISPOSALS

This Protocol has been prepared in the light of the General Disposal Consent 2003.

The general principle establishing the basis on which Local Authorities must dispose of properties, whether leasehold or freehold, is set out in S.123 of the Local Government Act 1972. This requires that, other than for leases of less than seven years, all disposals must be at best consideration, unless the express consent of the Secretary of State is contained. The Government has now issued a new General Disposal Consent (replacing the previous one issued in 1988). This Consent reiterates the duty of all Local Authorities to obtain best consideration in undertaking property disposals. The Consent does however permit Local Authorities to dispose of property at less than market value.

The specified circumstances are:

- (a) The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - (i) The promotion or improvement of economic well-being;
 - (ii) The promotion or improvement of social well-being;
 - (iii) The promotion or improvement of environmental well-being; and
- (b) The difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000.

In exercising its powers under the General Disposal Consent the Consent makes it clear the Council must have regard to its fiduciary duty to Council taxpayers.

The principle purpose of property disposals is to raise funding for the capital investment programme and to provide revenue funding for service delivery. The Council's policy to date has been that **all** disposals, whether freehold or leasehold, are at best consideration. In accordance with this Protocol the Council will continue to dispose of surplus assets for best consideration or Open Market Value, whichever is appropriate. The only exceptions to this are disposals approved under this protocol. Disposals include both freehold and leasehold disposals.

In considering exceptions to this principle, the Council will have regard to the specific advice of the Audit Commission that all disposals always be at best consideration and having regard to the Council's general fiduciary to Council taxpayers.

Disposals in accordance with this protocol should be considered as exceptions to the principle of disposal at best consideration.

Such disposals will only be considered where the following apply:

- They are in support of the Community Plan
- They are in accordance with a specific and stated policy or strategy of the Council.
- The purchaser is not a commercial organisation or a company for profit.
- The advantages and benefits to the community and Council taxpayers are clearly identified.
- Other forms of procurement have been considered and are not suitable or are not available.
- Where appropriate the disposal will contain a restrictive covenant and/or a right of pre-emption to purchase at the original sale price by the Council.
- The objectives of the disposal are clearly stated and are contained in an approved action plan.
- Where appropriate, the Council retains the right to repurchase, at the original sale price, if the stated objectives have not been achieved within an agreed timescale.
- In respect of any project linked to the sale at less than best consideration a business plan must be submitted to the Council for approval which
 - clearly demonstrates that the project cannot proceed without subsidy from the Council and;
 - shows what alternative forms of finance or subsidy have been explored, are available and have been applied for and;
- A regular progress report must be provided to the Council setting out such details as the Council may require. The business plan shows what alternative forms of finance or subsidy have been explored, are available and have been applied for.
- The Council receives a regular report on the progress of the project.
- As a generality, the Council will only dispose at less than best consideration on a long leasehold basis rather than a freehold. Any exceptions will be considered on their merits.
- A statement of risks to the Council is prepared.

Any proposal to sell at less than best consideration should first be considered by the Corporate Capital Strategy and Asset Management Group in addition to the usual internal consultation arrangements.

Any report to the Mayor or Executive seeking approval for a disposal at less than best consideration should specifically address all the matters raised in this Protocol.

OPEN SPACE PROTOCOL

REQUESTS TO LEASE OR PURCHASE OPEN SPACE

1. All requests to buy or use open space should be directed through or passed to Property Services, who will co-ordinate the response to the request.
2. Requests will be acknowledged by Property Services who will advise the applicant:
 - (i) No detailed negotiations can commence until the principle of the disposal/lease has been resolved
 - (ii) The Council has a presumption against the disposal of open space except where (a) specifically earmarked for disposal as land for development or alternative use by Council Officers; or (2) the land forms part of an Asset Transfer – which is subject to a separate protocol.
 - (iii) Any response will be subject to the outcome of a title search
 - (iv) It is possible that planning permission would be required in addition to the Council's agreement as landowner.
 - (v) The Council will seek to give a more detailed response within 6-8 weeks
 - (vi) The Council has a presumption that any consideration will be at best consideration as per its 'Disposals Protocol'.
3. No negotiations – even preliminary – are to be undertaken until the principle of disposal has been approved.
4. Property Services will request a title search, seek a preliminary view from Borough Planners, and consider any known physical impediments.
5. The request should be referred by Property Services to the relevant Service Manager, as necessary for consideration.
6. If there are any changes of policy, Service Managers are to advise Property Services of this.
7. The Service Manager will consider the implications of the request, including any physical impediments which are known and whether it is in accordance with established criteria, and either:
 - (a) Advise Property Services that the matter is within existing Delegated Authority and can be decided without recourse to The Mayor and therefore whether the request can be supported in full

or part or whether it should be refused. The response will include the key reasons why the decision has been made or

- (b) Advise that the matter does not fall within the Delegated Authority of the Service Manager concerned.
-
- 8. Irrespective of (7) above the Service Manager will assess whether the request received is of such sensitivity or importance that it should in any event be referred to The Mayor for consideration. If so the Service Manager will report accordingly. The Service Manager will also undertake any necessary consultation with Ward Members, whether the decision is to be made under Delegated Powers or referred to The Mayor.
 - 9. If the Service Manager is able to advise that the letting/disposal can proceed he/she will also advise Property Services of any requirements or conditions that should be attached.
 - 10. Property Services will advise the applicant of the results of the consultation and if appropriate commence negotiations.
 - 11. Once terms are agreed these will either be approved under Delegated Authority or reported to The Mayor, as appropriate. The report to The Mayor will advise of the requirement to advertise the proposed letting/sale and to consider any objections received.
 - 12. If The Mayor approves the terms or they are agreed under Delegated Powers, Property Services will advertise and report any objections back to The Mayor
 - 13. Legal completion cannot be completed until the public advertising process has been completed.

TRANSFER OF COMMUNITY ASSETS POLICY: APRIL 2012

Introduction

1. This policy sets out the circumstances and conditions under which the Borough Council will consider the transfer of interests in property, i.e. land and/or buildings, to third parties.
2. This policy establishes the nature of the organisations to which the Council will consider an asset transfer, the basis of the transfer and how requests will be processed. It establishes a transparent process for this to occur.
3. The policy also establishes the basis for enabling the community to bid for key local amenities, both in the public and private ownership, when they are offered for sale and to keep them part of local life in accordance with the provisions of the Localism Act.

Eligible Organisations

4. The Council will, as far as its property assets are concerned, consider a transfer to community based organisations who provide a service to the whole community where the use of the facility will continue to be available to all residents within the Borough. This will not preclude the casual hiring of facilities to members of the public, clubs etc.

Basis of Transfer of Council Assets

5. The Council has established a number of criteria that sets out the basis of the interest in its assets that will be transferred to third parties. These criteria, which are set out below, also provide some basic principles regarding the future management of the asset:
 - (a) To ensure that the property interest transferred is retained by the community for the purpose for which it is transferred and, in the case of the transfer of open space, that the open space is managed to at least the same standard as is currently provided by the Council for other similar areas. The Council will only transfer a leasehold interest. The lease will set out what has been agreed between the Council and the applicant regarding future provision of services from the property. The maximum length of lease will be 99 years, although leases may be for a shorter period. Only in exceptional circumstances will the Council consider leases for a longer period.
 - (b) All leases will contain a provision to enable the Council to terminate it should the property not be used for the purpose for

which it is transferred, unless such changes have been formally agreed in writing.

- (c) The Council could, in some circumstances, seek to charge a rent for any property transferred.
- (d) The party receiving the property and/or open space interest will be expected to bear all costs of managing and maintaining the property and transfer of a property interest does not imply any ongoing financial assistance from the Council. For clarity property shall include, in the case of the transfer of open space, any play areas, structures, trees, bedding, footpaths, lighting, drains, gullies, culverts, SUDS etc situated upon or forming part of the transferred open space. The Council will continue to insure any buildings transferred and will recover the cost of this from the party to whom the building is transferred.
- (e) At the end of any lease the Council will expect the property to be returned in the condition that it was made available, subject to reasonable fair wear and tear.
- (f) The Council will not ordinarily transfer an interest in an asset where that asset either generates a rent or where a rental could be derived from it, or where the asset has development potential that could generate a future capital receipt. Income from casual hirings e.g. football pitches on an area of open space would not, for the purposes of this provision, constitute rent.
- (g) In exceptional circumstances, the transfer of an interest in an asset with a small financial consideration could be considered where an objective assessment of the services to be provided shows the community benefit to be of greater value than the capital or rental value. In practice, this will exclude assets which have a high market value for alternative uses.
- (h) If the organisation to whom the asset is transferred is wound up or liquidated the lease will enable the Council to regain possession of the asset either for use by itself or by others.
- (i) The Council will propose a standard lease document to ensure a smooth and quick asset transfer. The organisation receiving the interest in the asset will be expected to bear their own costs.
- (j) Whilst casual hirings and lettings will be permitted, any longer term arrangements with third parties will require the Council's express approval to ensure that the property remains available for the purpose it was released.
- (k) The Council would encourage and welcome investment in assets made available to community groups and, in some cases, may

require applicants to raise or bid for external funding to enable investment in the asset as a condition of the transfer. However, any major works would require the Council's prior approval, the purpose again being to ensure that the property remains suitable for the use for which it was released (or any subsequently agreed variation).

- (l) The Council would also have to be satisfied that there was no other suitably qualified party who also wished to take over the management of the property in question.

Determining Applications for the Transfer of Council Assets

6. This section sets out how the Council will respond to, assess and determine requests it receives for the transfer of an interest in any of its assets.
7. All requests should be in writing and should initially be submitted to the Head of Members' Services who will co-ordinate the response to all requests. An application form will be used for this purpose, requiring all applications to provide details of the organisation, it will require a plan (showing the location and extent of the land in question), confirm how the applicant will ensure that the asset will continue to be available to and will continue to benefit the community on grant of a lease and confirmation that the organisation has the financial resources to continue to manage the asset throughout the term of the lease. It will also require a business plan.
8. All requests will initially be forwarded by the Head of Members' Services to the Assistant Director/Head of Service responsible for managing the property.
9. Applications that fall outside the criteria set out in this policy will be advised within 28 days, with details of why this has occurred. This will be undertaken by the Members' Services Unit on advice from the Assistant Director/Head of Service.
10. The Assistant Director/Head of Service, in consultation with the Head of Property Services, Assistant Director (Finance) and other officers, if relevant, will review the application having regard to the following matters together with any other that are considered relevant in respect of each application:
 - (i) that the applicant has the skills to manage the property on an on-going basis and the capacity and capability to meet the responsibilities in respect of legislative requirements;
 - (ii) that the applicant has the financial resources and skills to continue to manage the facility, including how the applicant will manage the asset as it ages, including a commentary of its eventual replacement plan if this occurs during the life of the lease;
 - (iii) that the applicant has a sound governance and operational management structure to fulfil its legal liabilities associated with the property, such as

health and safety and equalities, and that the organisation will demonstrate appropriate accountability to the local community. This will be assessed using a recognised quality management assessment;

- (iv) how, via the proposed business plan etc, the applicant will continue to provide benefit to the community and continued public access to the facility;
 - (v) the impact of the proposal on existing operational property and/or open space and the Council's property and open space portfolio and in particular any potential fragmentation of management of contiguous areas of property;
 - (vi) any financial implications that will affect the Council arising from the proposal;
 - (vii) this will also include whether there are any legal restrictions that prevent the Council releasing the property as requested;
 - (viii) agreement with the applicant of the proposed use to which the property and/or open space will be put and specifically, in the case of open space, the standards to which the open space and any property on it will be maintained and managed. This will form a key term in any lease granted;
 - (ix) that the transfer of the asset will not adversely impact on the Council's ability to continue to deliver the service provided by the asset;
 - (x) that the application is consistent with the Council's approved Corporate Plan;
 - (xi) in dealing with the application the Council will have regard to the unrestricted value of the property, and
 - (xii) any proposed disposal at an undervalue will be in accordance with any statutory requirements prevailing at that time.
11. The Assistant Director/Head of Service will also consult with Ward Members to obtain their view on the application. This will not occur in situations where an individual Member has a personal and prejudicial interest and, for example, is, in another capacity, a member of the organisation making the application.
12. In receiving the views of the Ward Councillors, the Assistant Director/Head of Service will then consult with, and obtain the views of, the Portfolio Holder.
13. Upon receipt of the Portfolio Holder's views and having completed all other investigations, as set out in this document, the Assistant Director/Head of Service will submit the proposal to a nominated team for consideration. The team will then review, taking all the facts into consideration, whether the requested transfer could be recommended for approval.

14. Following consideration by the nominated team, the Assistant Director/Head of Service will prepare and submit a report to the Mayor/Executive recommending that the request is recommended for approval or not. In either situation, reasons will be given for the recommendation made.
15. The Head of Members' Services will notify the applicant of the outcome of the application within 21 days of the decision of the Mayor/Executive.
16. If the application includes the transfer of open space the proposed disposition will be advertised (as required by statute) and objections considered by the relevant Portfolio Holder (based on a report received for officers) prior to the final decision being made on the transfer.
17. Unsuccessful applicants may appeal in writing within one month of the decision being notified to them, providing such additional information as it considers appropriate. Any appeal will initially be considered by the nominated team.

Post Transfer Monitoring of Council Assets Transferred

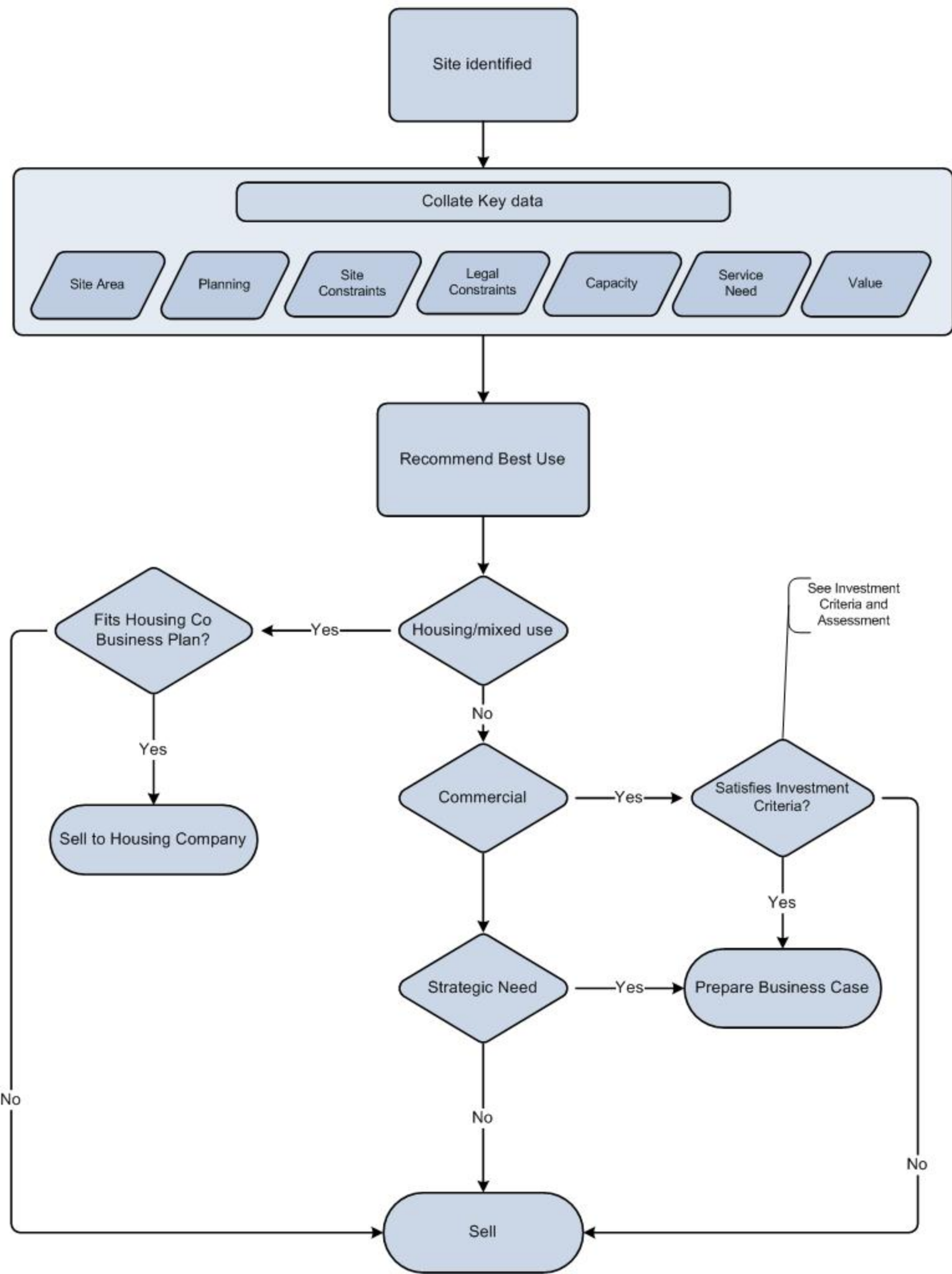
18. Upon completion of the lease of the asset, the Council will undertake a level of monitoring to ensure that the asset continues to be used for the benefit of the community as set out within the lease, that the asset continues to be properly maintained, that the lease terms are complied with and the lessees are maintaining acceptable levels of continued community use.
19. This process will be undertaken every two years by the appropriate Assistant Director/Head of Service. The outcome will be reported to the relevant Portfolio Holder. Where, in the opinion of the Assistant Director/Head of Service, the above criteria are not being complied with, discussions will be undertaken with the organisation, prior to the report to the Portfolio Holder, to identify how any failures can be rectified. The agreed action will be included in the report to the Portfolio Holder.
20. Should a satisfactory resolution of any failings not be possible the Council will give consideration to forfeiting the lease and returning the asset to it.

Requests for the Transfer of Community Assets

21. The Council will compile and maintain a register of assets of community value which have been nominated by the local community in accordance with the requirements of the Localism Act.
22. The Council will consider requests of interest from community groups where listed assets come up for sale or change of ownership, and will encourage owners within the provisions of the Act to give interested community groups the time to develop a bid and raise the money to bid to buy the asset when it becomes available on the open market.
23. Guidance will be available to community groups to enable expressions of interest in assets of community value to be made and to outline the details to be

submitted to support the community interest and the plans for shaping bids, raising funding and the timescale for pursuing interest in the community asset. Where the interest relates to a Council owned asset, the provisions of the policy outlined at 4 to 17 above will apply.

Development Opportunities Process Map



**Corporate Capital Strategy and Asset Management Group
(CCSAMG)**

Terms of Reference

Role

1. The CCSAMG is a senior officer governance body with a clear remit to advise the Council on key issues relating to Capital Investment Strategy, Capital Programme and Corporate Asset Plan.
2. The meeting agendas will distinguish between issues specific to the Capital Investment Strategy and Corporate Asset Plan, but it is intended to fully integrate these strands of work.
3. The role of the CCSAMG is:

Capital Strategy

- Lead on the annual review of the Capital Strategy before reporting to Executive
- Identify and monitor resources available to fund the Capital Programme
- Develop and manage the Capital Programme
- Co-ordinate and manage the bidding process for capital projects to be included in the programme
- Monitor the progress of capital projects and key variance between project plans and performance.

Asset Management

- The effective use and management of property assets, including the planning of capital investment in assets
 - Lead on the annual review of the Corporate Asset Plan action plan before reporting to Executive
 - Monitor the progress of projects identified in the action plan at each meeting
 - Ensure planned investment in property assets is aligned with corporate priorities
 - Enhance cross service collaboration and joint working with key partner organisations
4. The Group will establish an effective corporate group for capital strategy and property matters, facilitating effective decision making and providing officer leadership and challenge.
 5. The Group will not duplicate the work of other key corporate decision making officer bodies, but will take account of key issues arising from those Groups in so far as they impact on corporate resources.

6. The Group will ensure that relevant projects and programmes are consistent with the overall programme, including the resources available and the monitoring of the delivery of the respective programmes.
7. The group will review all capital bids or asset based projects as they flow through the Council's Gateway Project Management process
8. The group will review all land and buildings that are no longer required for their current use and consider if there is an alternative Council requirement for the asset before it is declared surplus. Assets declared surplus will be offered on e-PIMS to other government agencies in the first instance.

Frequency of meetings and representation

9. There will be quarterly meetings during each year.
10. Additional meetings will be arranged by exception in the event that key decisions about specific projects and programmes that impact on corporate resources have to be made in period between the pre-planned meetings of the Group.
11. Representation at the CCSAMG will include senior officers in Finance, Property Services who will jointly chair the meetings, and all relevant service areas. Where representatives are not able to attend, a suitable substitute will attend in their place.
12. The membership will include all EDs, ADs or Heads of Service with property responsibility for premises outside of Borough Hall, plus representatives from Finance, IT, HR, and Property Services.

Decision making

13. The CCSAMG is an officer working group. The role of the group is mainly advisory that takes any decision making powers from the delegated powers of the officer representatives as set out in the Financial Procedure Rules and the Council Constitution.
14. The Group will ensure that consultation is carried out with the Management Team, The Mayor and Portfolio holders as necessary.
15. Decisions will be taken only where policies and priorities are already agreed by the Executive as part of the agreed Budgetary Framework and Corporate Asset Plan. Any decisions that fall outside the remit of the Group will be referred back to the Executive or Full Council as necessary

Functions

The following list is a brief summary of the functions of the Group

Capital Strategy and programme

Month	Capital Monitoring	Capital Programme Lifecycle	Executive Report Influenced
July	P3 – June	Review Current Programme & Profiling Review New Bids – Option Appraisal	September Trends Report
September	P5 – August	Challenge New Business Cases / Requirement for Consultations	October New Bids Report
November/ December	P7 - October	Review Updated Capital Programme & Agree New Bids	January Updated Capital Programme
January	P9 – December	Confirm Updated Capital Programme Review Current Programme & Profiling	N/A
March	P11 – February	Outline Closure Process & Responsibilities Review Capital Investment Strategy	March Capital Investment Strategy Refresh
May/June	P13 – Outturn	Agreed Slippage & Revised Programme	June Outturn & Slippage Report

Corporate Asset Management

Five yearly review of Corporate Asset Plan 2012-2016 (CAP) – Nov 2016

Review of progress against CAP Action Plan

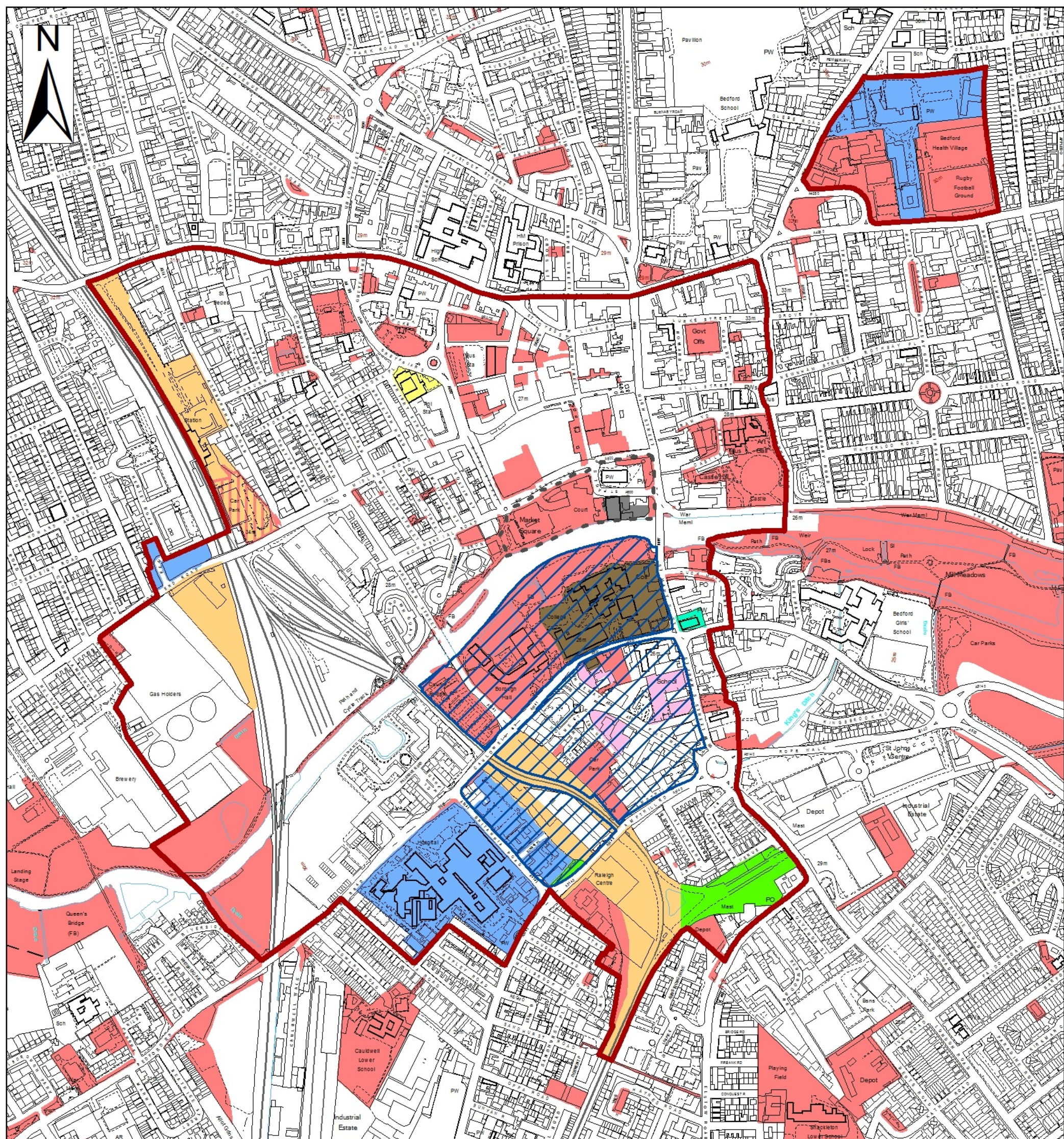
Report progress to Executive – Group to review in January for March report

Repair and Renewal programme – Group to review in January for Portfolio holder approval in March

Review all land or assets where it is unclear if their current use justifies holding them.

Review of property related capital bids and projects as they flow through the corporate gateway process.

Encourage partnering with other public bodies to increase efficiency and service provision in the public estate.



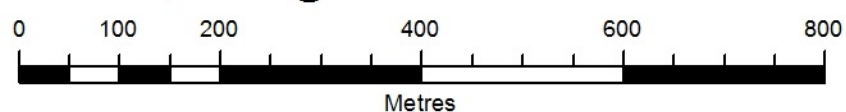
Legend

	OPE Key Project Areas		Bedford College		HM Courts and Tribunal		Privately Owned Development
	BBC Leased from Network Rail		Bedfordshire Police		NHS Property		Secretary of State for Transport Inc. LCR
	Bedford Borough Council		Central Bedfordshire Council		Network Rail		

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Appendix 9 One Public Estate Project Area

Scale 1:7,500 @ A3



Drawn By: LJW
Date: 09 March 2017

Property Services
Bedford Borough Council

